TRITON MINERALS LTD

(Subject to Deed of Company Arrangement)

ACN: 126 042 215

ANNUAL SHAREHOLDERS REPORT

For the year ended 31 December 2015

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CORPORATE DIRECTORY

DIRECTORS

Mr Xingmin (Max) Ji	Non-Executive Chairman
Mr Patrick Burke	Deputy Chairman
Mr Garth Higgo	Managing Director & Chief Executive Officer
Ms Paula Ferreira	Non-Executive Director
Mr Guanghui (Michael) Ji	Non-Executive Director

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REVIEW OF OPERATIONS

OVERVIEW

Triton Minerals Ltd (Subject to Deed of Company Arrangement) ("Triton" or "the Company") provides this Review of Operations report. The significant milestones of the 2015 financial year include the following:

- securing a $20 million equity placement facility with Long State Investments ("LSI") as a reserve facility to ensure the Company can continue to develop the Mozambique graphite project;

- following discussions with its joint venture partner Grafex Lda ("Grafex"), new terms had been agreed with the minority shareholders of Grafex to extend, for a further 12 months to February 2016, the timeline for the second Tranche payment of US$5 million in cash and US$5 million equivalent in Triton shares, for Triton to acquire the remaining 20% equity interest in Grafex and all of the Mozambique graphite projects known as Balama North, Balama South and Ancuabe;

- the binding agreement to form a strategic alliance with AMG Mining AG ("AMG"), through the AMG subsidiary of GK Ancuabe Graphite Mine, SA ("GK"). The strategic alliance is for an initial exclusive period of two years during which the Parties will collaborate on the exploration, identification and development of graphite occurrences in the Ancuabe district, within the Province of Cabo Delgado in Mozambique. GK's Mozambique assets include permitted mining concession 4C that encompasses a functional graphite producing plant (on care and maintenance) and associated mining and production infrastructure in the Ancuabe district. Triton's exploration tenure completely surrounds this mining concession;

- the signing of a 20 year binding off-take agreement to supply 100,000 tonnes of graphitic concentrate per year at a minimum sale price of US$1,000 per tonne, with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd ("YXGC") for Triton's Mozambique Graphite ("TMG"). Triton is afforded exclusive rights to supply graphite to YXGC from Mozambique, Madagascar, Malawi and Tanzania;

- the entry into two binding joint venture agreements with Chinese graphite products specialist YXGC to develop and produce graphite enhanced products in Mozambique and China. The joint venture companies will source Triton Mozambique Graphite ("TMG") concentrate exclusively from Triton to develop enhanced graphite products;

- the confirmation that initial tests undertaken on TMG concentrate successfully produced battery grade spherical graphite, graphene oxide, commercial scale production of high strength composite graphite material and fire resistant polystyrene foam; and

- the Company raised approximately $13.7 million through the issue of approximately 47.6 million fully paid ordinary shares and 3.5 million unlisted options.

Subsequently, on 2 March 2016, the Directors resolved to place the Company into voluntary administration and appointed Messrs Martin Jones, Andrew Smith and Dermott McVeigh of Ferrier Hodgson as joint and several administrators of the Company (together, the "Administrators") pursuant to section 436A of the Corporations Act.

On 3 March 2016, the Company's securities were suspended from trading on the official list of ASX. Following appointment of the Administrators, the powers of the Company's officers (including Directors) were suspended and the Administrators assumed control of the Company's business, property and affairs.

On 25 July 2016, the DOCA was executed by the Company and Administrator, whereupon the Company entered deed administration and the Administrators became the Deed Administrators of the Company.

REVIEW OF OPERATIONS

GRAPHITE PROJECTS
MOZAMBIQUE – Cabo Delgado Province

Triton, through its majority 80% equity interest in Grafex Lda, is the registered holder of eight (8) exploration licenses, of which six (6) have been granted and two (2) are in application, in the Cabo Delgado Province of northern Mozambique. The licenses comprise three (3) project areas, known as:

- Balama North Project
- Balama South Project
- Ancuabe Project
-

All three project areas, which can be seen in Figure 1 below, are considered prospective for graphite.

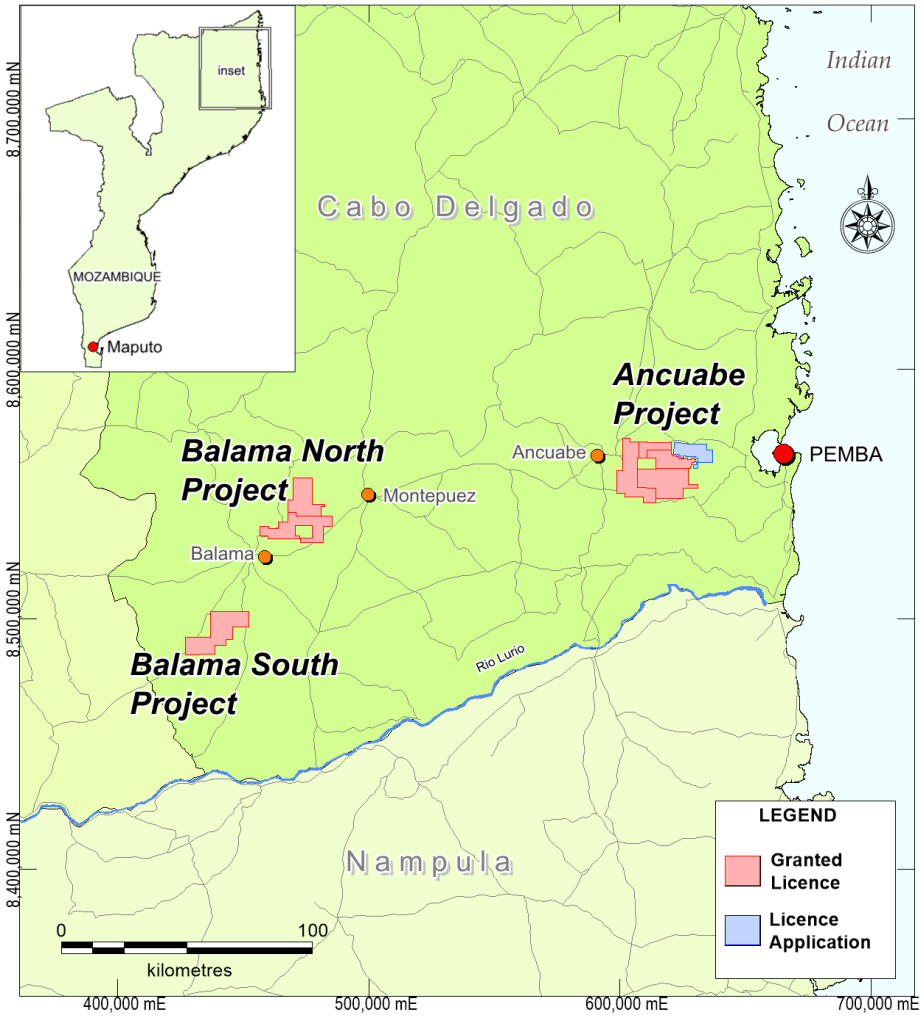

Figure 1: Overview of the Graphite Project Licenses in northern Mozambique

BALAMA NORTH PROJECT

The Balama North project is located approximately 230km west of Pemba, in northern Mozambique, in the vicinity of known graphite mineralisation. The Balama North project currently contains the world's largest and fourth largest graphite resources, at Nicanda Hill and Cobra Plains respectively.

REVIEW OF OPERATIONS

Nicanda Hill

MINERAL RESOURCE

The Company's most significant achievement to date is the announcement in October 2014 of the maiden Mineral Resource Estimate ("MRE") at Nicanda Hill following only six months from the commencement of drilling at Nicanda Hill. Since the initial MRE for Nicanda Hill was released in October 2014, Triton has completed, as a part of the Definitive Feasibility Study ("DFS") work program in 2015, an additional 5,516m of drilling in 51 drill holes comprising 25 reverse circulation (RC) holes and 26 diamond holes. The resource is now defined by a total of 21,864m of drilling in 148 drill holes comprising 86 RC holes and 62 diamond holes.

Triton notes that apart from the additional drilling data, there are no material differences between the updated 2015 resource estimation methodology and that, utilised in 2014 for the initial MRE for Nicanda Hill. The MRE ranks Triton's Nicanda Hill deposit as the largest combined graphite and vanadium deposit in the world.

The total MRE as at 31 December 2015 comprises 1,443 Million Tonnes ("Mt") at an average grade of 11.1%TGC containing 160.32Mt of graphitic carbon and 4.22Mt at an average grade of 0.29% of Vanadium Pentoxide ("V_2O_5") classified as either Inferred Mineral Resources or Indicated Mineral Resources in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition) as reflected in Table 1 below. This Mineral Resource has been reported inside geological wireframes (defined on the basis of mineralised graphite intercepts) and equates to a nominal 5% TGC cut-off grade.

Classification	Tonnes	Grade	Contained Graphite	Grade	Contained V_2O_5
	(Mt)	(TGC%)	(Mt)	(V_2O_5%)	(Mt)
Measured	33	12.34	4.06	0.34	0.11
Indicated	375	11.08	41.51	0.29	1.10
Inferred	1,036	11.08	114.75	0.29	3.01
Total	**1,443**	**11.11**	**160.32**	**0.29**	**4.22**

Table 1: Nicanda Hill Mineral Resource Estimate Table (reported using 5%TGC cut-off grade)
Note that some table numbers may not tabulate exactly due to the effects of rounding in the table.

Competent Person's Statement

The information in this report that relates to the Mineral Resource estimate at Nicanda Hill is based on, and fairly represents, information which has been compiled by Mr James Ridley. Mr Ridley is a Principal Geologist at Jorvik Resources Pty Ltd, who is an independent consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ridley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ridley consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Annual Review

The Company reported an upgraded MRE at Nicanda Hill on 30 October 2015. As a result of the annual review of the Company's Nicanda Hill resource there has been no change to the resource since it was reported on 30 October 2015. In addition, James Ridley, of Jorvik Resources remains the Competent Person for reporting of the MRE at Nicanda Hill, to the date of this report in 2016, for the MRE completed by Jorvik in 2015.

Governance of Nicanda Hill Resource

The Company engages external consultants and Competent Persons to prepare and calculate estimates of its Nicanda Hill Resource. These estimates and underlying assumptions are reviewed by the Board and Management for reasonableness and accuracy. The results of the Nicanda Hill Resource estimates are then reported in accordance with the JORC Code and other applicable rules. Where material changes occur during the year to a project, including the project's size, title, exploration results or other technical information, then previous resource estimates and market disclosures are reviewed for completeness. The Company reviews the Nicanda Hill Resource as at 31 December each

year. Where a material change has occurred in the assumptions or data used in previously reported Nicanda Hill Resource, a revised resource estimate will be prepared as part of the annual review process.

MINERALOGICAL

Mineralogical tests taken from the various in situ samples obtained during the year from across the Nicanda Hill mineralisation footprint have verified a range of graphite flake sizes from fines through to jumbo flake. Results contained head grades of up to 28%TGC from the various samples. In addition, these tests also confirmed the persistent presence of vanadium within the graphitic samples, obtaining grades up to 0.50% V_2O_5.

These mineralogical test results showed on average the graphite flake size distribution from the samples tested are as follows; 23% of the graphite samples are very large flake which are 212µm or larger, 36% are greater than 106µm (medium to large flake), 17% are greater than 75µm (medium flake), and 24% are less than 75µm (small flake) in size. These results are outlined below in Table 2.

Graphite Flake Sizes	Flake Distribution
+400µm	7.3%
+212µm	15.9%
+106µm	36.0%
+75µm	17.1%
-75µm	23.7%
	100%

Table 2. Mineralogical Flake size distribution of the graphite as obtained from samples at Nicanda Hill.

METALLURGICAL RESULTS

During the year, Triton received metallurgical test work results that have confirmed that the Nicanda Hill graphite ore, through standard flotation methods, is readily able to produce graphite concentrates which assay from 95.8%TGC to 97.3%TGC.

Triton also began a metallurgical program, being undertaken by Mintek (Johannesburg), which has been incorporated into the feasibility program. This new program includes variability metallurgical testing to identify and confirm larger areas of near-surface large flake graphite material and to verify the methodology for the optimisation in the recovery of the various graphite flake sizes.

The metallurgical results received during the year confirmed that the graphitic concentrate produced through the standard flotation methods contains low levels of impurities, which confirms that the graphite is liberating cleanly from the graphitic ore.

The tests verified low levels of volatiles and impurities. These flotation tests produced graphite concentrates with a weighted average purity of 97.1%TGC, 2.7% Ash and 0.2% Volatiles, without the need for chemical treatment.

Metallurgical tests have further confirmed that Triton is able to upgrade the Nicanda Hill graphite concentrate up to 99.9%C using a simple chemical wash.

To upgrade graphite flotation concentrate, samples were digested in 20% solution of hydrochloric acid (HCl) at 20% solids (w/w) for 4 hours at 80ºC in a water bath to remove carbonate and iron oxides.

The residue was then thoroughly washed to remove all acid and leached in 8% solution of hydrofluoric acid (HF) at 20% solids (w/w) for 4 hours at 90ºC to remove silicates. The final residue was thoroughly washed, dried and assayed for graphitic carbon.

REVIEW OF OPERATIONS

Leaching is a very effective method to remove gangue minerals from graphite concentrate without flake size reduction. The amount of consumables required for the purification process is very low due to the very high grade of the graphite concentrate and the low levels of the impurities which can be readily removed.

In addition to the above, the metallurgical test work undertaken to date shows that both vanadium and zinc are present in the process tailings after the flotation and separation of the graphite concentrate from the ore. Also of note is the presence of other base metals, including titanium, in the tailings.

In the initial testing, vanadium was readily upgraded through a standard flotation of graphite tailings to produce vanadium concentrate with grades up to 0.74% V_2O_5.

A zinc concentrate assaying 7% was also produced from the graphite tail through a simple flotation process.

Further metallurgical investigations are required in order to optimise flotation conditions and improve both vanadium and zinc recoveries so that they may be further upgraded. Accordingly, the vanadium and zinc potential of the Nicanda Hill resource is still to be fully understood.

Should the vanadium and zinc be found to be upgradable from the tailings as a saleable concentrate, this would have a significant positive impact on the overall economics and profitability of a potential mine at Nicanda Hill.

OFF-TAKE AGREEMENT - YXGC

On 1 April 2015, the Company announced the signing of a 20 year binding off-take agreement to supply 100,000 tonnes of graphitic concentrate per year at a minimum sale price of US$1,000 per tonne, with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd ("YXGC") for Triton's Mozambique Graphite ("TMG") ("Agreement"). Triton has exclusive rights to supply graphite to YXGC from Mozambique, Madagascar, Malawi and Tanzania.

The binding off-take agreement is conditional upon the following conditions being met within 36 month of signing the Agreement:

- Triton receiving all relevant government approvals;
- Triton commissioning a processing plant or plants;
- Triton achieving commercial production of Material to the satisfaction of Triton; and
- Triton providing YXGC notice of its intention to commence deliveries of Material.

The Off-take agreement was subsequently terminated by YXGC on 21 March 2016 following the Company's appointment of Administrators, Ferrier Hodgson, on 2 March 2016.

GRAPHITE PRODUCTS

There are multiple uses for flake graphite which include:

- Expandable Graphite (insulation foam, soft foams, mattresses, carpets, textiles, coatings, plastic foils, rubber products, pipe closing systems, fire retardants, graphite foil);
- Micronised Graphite Powder (photovoltaic, high temperature furnaces, lamp carbon, lubricants, carbon brushes);
- Spherical Graphite (anodes in lithium ion batteries) and
- Recarburisation (steel making and iron casting).

According to the independent IMO study, which assessed metallurgical and mineralogical test results received by the Company, the applications for which the TMG concentrate is suitable, include the following:

- Dry Cell, Lead Acid and Alkaline Batteries
- Lithium Ion, Spherical Graphite and Fuel Cells
- Refractory Crucibles
- Foundry Core and Mould Wash
- Brake Linings
- Carbon Brushes
- Powder Metallurgy
- Graphite Powders

- Gaskets
- Lubricants and Releasing Agents
- Polymer Additives
- Conductive Polymers and Plastics

Expandable Graphite
During March 2015, Triton confirmed that initial material testing completed by an independent facility located in Asia, has confirmed that Triton's Mozambique Graphite (TMG) can be expanded up to 1,000 times.

Not all graphite is expandable. However, if the graphite possesses the required physical properties the graphite is normally expanded by immersing the natural flake graphite concentrate, usually at a grade of 95% to 99% TGC, in a bath of chromic acid, then concentrated sulfuric acid, which forces apart the crystal lattice planes, thus expanding or increasing the flake graphite surface area from 500 to 1,000 times in size.

The expanded graphite is used to produce flexible graphite sheets and foils which are subsequently used for manufacturing high-performance gasket material for high-temperature use, packaging and other sealing materials in critical applications of high pressure environments.

The expanded graphite can also be used to create a compound to insulate molten metal in a ladle or red-hot steel ingots and decrease heat loss, or as a fire-stop which is fitted around a fire door or in sheet metal collars surrounding plastic pipe (during a fire, the graphite expands and chars to resist fire penetration and spread)

After being made into graphite foil, the foil is machined and assembled into the bipolar plates in fuel cells. Graphite foil is also a major component of heat sinks for laptop computers which keeps them cool while saving weight. Graphite foil laminate is also used in valve packings or made into gaskets.

Expanded graphite is an extremely valuable and highly sought after material and is a critical component in battery market.

Battery Grade Spherical Graphite
During August 2015, Triton confirmed that initial tests undertaken on typical Nicanda Hill flake graphite concentrate by a highly reputed American-based laboratory, using jet milling (spheroidisation) equipment, has successfully produced spherical graphite.

Nicanda Hill flake graphite concentrate was utilised in the initial tests due to the presence of the naturally occurring high purity finer flake material. The benefits of using this naturally-occurring material directly, is the reduction in the time and costs required to grind the concentrate particles to the required size.

The initial milling tests (using a patented process) was applied to a sample of Nicanda Hill flake graphite concentrate with an average feed size of less than 100 microns (-140 mesh). The outcomes of this initial test resulted with the successful production of a wide range of spherical graphite particles ranging from 5 to 40 microns.

The spherical graphite industry utilises a standard deviation system for classifying particle distribution and they have found that the smaller spherical graphite particle size will create a larger surface area which has a higher density and will increase storage capacity potential of the graphite particle.

Triton confirms the spherical graphite produced in these initial limited tests consisted of an average of 90% distribution at <35 microns, 50% distribution at <13 microns and 10% distribution at <4.5 microns. The spherical graphite was produced by patented air powered jet milling equipment.

Research has found the spherical graphite particle size for Li-ion batteries are split into two main categories. The Li-ion course sizing battery requires spherical graphite with particle sizes ranging from 25 microns to 48 microns, whilst the fine sizing battery requires spherical graphite with particle sizes ranging from 3 microns to 25 microns. Therefore, these initial tests demonstrate Triton's Nicanda Hill graphite is ideally suited for the creation of the spherical graphite and use both categories of the ever growing Li-ion battery market.

Spherical graphite has the potential to substantially increase the range of TMG products and Triton will now review the additional options available and consider the benefits of incorporating a scaled production process of spherical graphite into future product streams.

Graphene Oxide
In tests conducted by a Government-sponsored laboratory in Singapore, Graphene Oxide ("GO") has been successfully produced from various graphite concentrate grades of TMG product.

Commercial-grade Graphene Oxide was readily produced from a broad range of TMG concentrates, using the standard extraction methods. These initial results are considered by Triton to be encouraging.

In these industry-standard production runs only 1.5 grams of TMG concentrate was required to produce approximately 250ml of high concentration graphene oxide solution.

Triton confirms the same Singapore laboratory has also successfully created Graphene powder from the TMG products by simply reducing (drying) the TMG Graphene Oxide solution. Once the Graphene powder has been created it is actually insoluble in water.

There are many applications which use GO and the list continues to grow. There are many obstacles to be overcome before GO can be used commercially in most areas but advancements are being made every day and some of the key areas of development for GO include bioengineering, composite materials, energy technology and nanotechnology.

The Company will continue to explore opportunities to refine the production of Graphene Oxide. As the predicted global demand for graphene oxide and graphene grows.

High strength composite graphite sheet material and fire resistant polystyrene foam
In October 2015, the Company announced the successful trial of commercial-scale production of high strength composite graphite materials and fire resistant polystyrene foam, using TMG concentrate from Nicanda Hill, at the Yichang Xincheng Graphite Co., Ltd (YXGC) factory in China.

Enhanced graphite products', such as composite sheeting and expanded graphite foil, main uses are formed thermal insulators such as gaskets, fire door seals, electronic parts and battery heat shields.

ENHANCED GRAPHITE MANUFACTURING JOINT VENTURES - YXGC
On 14 May 2015, the Company announced the entry into two binding joint venture agreements with Chinese graphite products specialist YXGC to develop and produce graphite enhanced products in Mozambique and China. The joint venture companies will source TMG concentrate exclusively from Triton to develop enhanced graphite products.

Triton will hold a 70% interest in the Mozambique joint venture (Mozambique JV) of which Triton will be the operator. The Mozambique JV is conditional upon on conditions being waived or satisfied by the relevant party, either Party may terminate the Joint Venture:

Triton will hold a 49% interest in the China joint venture (China JV) of which YXGC will be the operator. The China JV is conditional upon on the following conditions being waived or satisfied by the relevant party from the date which is thirty six (36) months from the Commencement Date, 13 May 2015, whereby either party may terminate the Joint Venture:

- Triton commissioning to its sole satisfaction a processing plant or plants of a size and scale capable of satisfying the graphite concentrate demand to produce Enhanced Product;
- incorporation of an entity/company of which the shareholders are Triton and YXGC each holding shares commensurate to their Participating Interest within 6 months of the Commencement Date (JV Company);
- receiving all relevant Mozambique Government approvals; all relevant Chinese Government approvals or any other relevant Government approvals (including Australia);

- agreeing on an appropriate site for the Graphite Enhance Products Plant in China Hubei province of Xingshan;
- entry into a Shareholders Agreement between Triton & YXGC in relation to the JV Company which incorporates the terms and intent of the Joint Venture;
- agreeing on the Graphite Enhance Products Plant design, construction cost, timetable and size;
- agreeing to items/decisions of the Joint Venture that require unanimous approval of the Parties;
- agreeing to an initial Joint Venture budget and work program;
- agreeing on the initial cost and initial capital contributions ("Initial Contribution");
- undertaking the following items within six months from the Commencement Date;
- opening a Joint Venture bank account, with both Parties as co-signatories to the account;
- each Party depositing US$1 million into the Joint Venture bank account; and
- establishing a joint venture management team.

The two joint venture agreements were subsequently terminated by YXGC on 21 March 2016 following the Company's appointment of Administrators, Ferrier Hodgson, on 2 March 2016.

DEFINITIVE FEASIBILITY STUDY

In 2015 Triton engaged a complete technical team of experts, who possess a high degree of experience in graphite, to assist Triton with the completion of the Definitive Feasibility Study and an Environmental Management and Impact Assessment in relation to Triton's Mozambique graphite project.

The technical team included:

- DRA Global;
- Orelogy;
- Golder Associates;
- Jem-Met;
- Legacy Project Solutions; and
- EOH Coastal and Environmental Services (Pty) Ltd.

Nicanda West/P66 Zone

IDENTIFICATION

During August 2015, as a result of the DFS drilling program, the Company identified a new substantial jumbo flake graphite zone, known as P66, to the north-west of the existing MRE at Nicanda Hill, which was later renamed as Nicanda West.

The diamond drill hole GBND0055 intersected strong graphitic mineralisation with extensive jumbo flake graphite present in the drill core. Triton subsequently completed additional drill holes both north and south of the original P66 intersection, which confirmed the continuity of jumbo flake graphite mineralisation over a considerable distance.

Visual inspections of the drill core samples obtained from the Nicanda West/P66 zone show very large graphite flakes and coarse gneissic texture associated with higher metaphorica grade.

The drilling program comprised of a total of eleven diamond and three reverse circulation (RC) drillholes. Assay results have been received for six of these drillholes.

Nicanda West is distinguished by the dominance of large (>150µ) and jumbo (>300µ) flake graphite that forms the main mineral constituent of a gneissic host rock. Given the dominance of high-value flake sizes the minimum targeted average grade of this style of deposit range is 5%TGC. This is in contrast to the more typical deposits of the Balama North region, including Nicanda Hill, where the host rocks comprise graphite-amphibole schist with target average grades of 10%TGC comprising dominantly fine (<75µ) to fine-medium (75-150µ) flake sizes.

REVIEW OF OPERATIONS

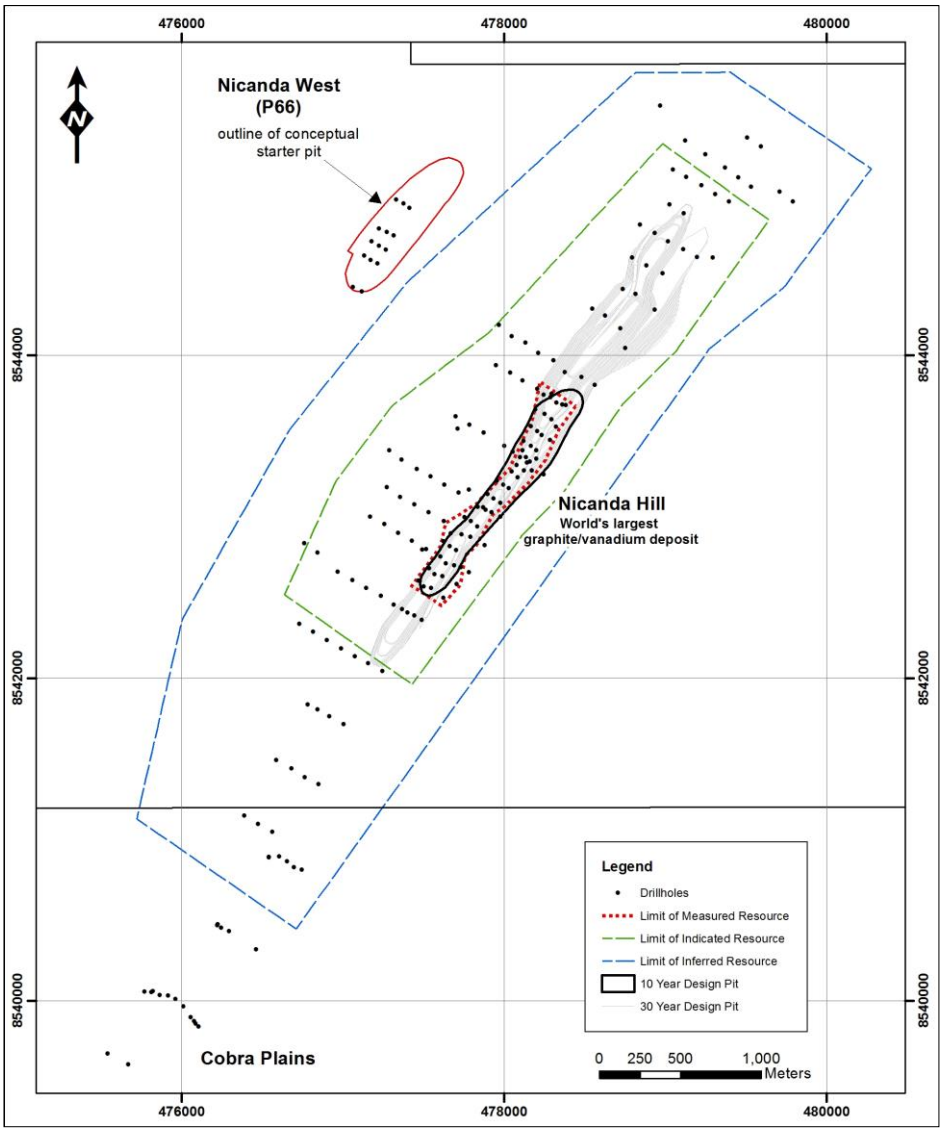

Figure 2: Integrated Nicanda Project Plan

Drilling results received in 2015 indicate large thicknesses of graphite mineralisation that form true widths of up to 190m as intersected in GBND0059 which returned an average of 4.6%TGC over the entire length of the hole (including a total of 53m of internal dilution) from near-surface to 200m at the end of hole which finished in mineralisation. Selective higher grade zones, some averaging up to 12.9%TGC, are developed within the broader mineralised zone. The weighted average grade of all intersections above cut off is 6.5%TGC over four stacked units that form a cumulative true width of 92m.

The drill results for Nicanda West indicate both uniformity and continuity of graphite grade both along strike and down dip, with increasing graphite mineralisation trending towards the north-east of the prospect. The overburden is limited to a 2m thick veneer of alluvial sediments. The initial target at Nicanda West, as suggested by the VTEM data, extends over a minimum strike length of 1,000m. To date only 400m or 40% of strike length has been drill tested.

Nicanda West is located approximately 1km west from the Nicanda Hill prospect which contains the world's largest graphite and vanadium resources. Triton's Cobra Plains graphite deposit is located along strike from Nicanda Hill towards the southwest. Including Nicanda West, 232 exploration and resource delineation holes have been completed on the Balama North Project. Numerous geotechnical and hydrological holes have also been completed in support of the Nicanda Hill DFS.

Subsequently in 2016, Triton announced an MRE at the Nicanda West/P66 zone location.

METALLURGICAL RESULTS

Initial sighter flotation test work has been completed by SGS Lakefield Oretest Pty Ltd (Perth) on a 10kg composite core sample obtained from the P66 zone, which is located to the north-west of the main Nicanda Hill prospect.

The key objective of the testing was to ascertain the liberation qualities of large flake graphite, such that a successful outcome would justify a more comprehensive flotation test work and concentrate production program.

Initial metallurgical test work carried out on core samples from GBND0055 (the first hole drilled at the P66 zone), confirms the substantial presence of large liberated flake graphite particles.

The large flake graphite in the P66 sample was readily liberated by crushing, grinding, rougher and cleaner flotation, with no additional regrind required. Flotation tests confirm that 53% of the discrete mass graphite particles are larger than 150µm (+100 mesh) (Table 3).

MICRON	MESH	DISCRETE MASS (%)
>300	50	12.6
150-300	100-50	40.2
75-150	200-100	25.0
<75	200	22.2

Table 3: P66 - Size by assay of flotation feed.

A concentrate grade of 96.1%TGC achieved at a recovery of 97.4% with a head grade of 11%TGC. These initial results on the P66 zone graphite samples are considered by Triton to be encouraging and justify the progression to a comprehensive metallurgical test work program and bulk concentrate production run.

The confirmation of the large and jumbo size fractions of high grade graphite flakes recovered from flotation is consistent with the mineralogical observations. It is expected that the larger size flakes will improve the graphite concentrate available from Nicanda Hill.

Optimization of the metallurgical process is expected to further enhance the quality of the final product concentrate. The Company is reviewing options to determine whether the graphite concentrate from the P66 zone can be further upgraded through flotation. Triton is aiming to obtain similar purity levels to those recently achieved with Nicanda Hill, that being in excess of 99%TGC, without the use of acid leaching.

NICANDA WEST CONCENTRATE PRODUCTION

Following the positive outcomes from the initial standard flotation tests, a limited production run was carried out by SGS Lakefield Oretest (Perth) to generate a sufficient sample of battery-specification concentrate in order to ship to interested parties and to carry out, at their request, more detailed particle induced x-ray emission (PIXE) and x-ray diffraction (XRD) test work.

These testing procedures are specific to the requirements for producing spherical graphite for application in lithium ion batteries.

Flake Size		Nicanda West standard	Nicanda West hi-spec
Mesh	**Micron**	**Mass %**	**Mass %**
50	>300	12.6	6.7
-50 to100	150-300	40.2	37.1
Total	**>150**	**52.8**	**43.8**

100 to -200	75-150	25.0	30.2
200	<75	22.2	26.0
Total	**<150**	**47.2**	**56.2**
Recovery		97.4	96
Grade		**96.1**	**97.7**

Table 4: Comparative flotation test work results from Nicanda West (P66)

By means of a simple four-stage flotation process a total graphitic carbon grade of 97.7% was achieved with a large proportion of large and jumbo flake preserved.

For non-battery applications a lower grade can be targeted. This would preserve an even more dominant proportion of large flake.

Triton considers these initial metallurgical results to be positive and is expecting further positive results with the completion of additional optimised metallurgical test work.

Cobra Plains Deposit

In February 2014, the Company announced its maiden Inferred Mineral Resource estimate at Cobra Plains of the Balama North project. As at 31 December 2015, the resource comprises 103Mt at an average grade of 5.2%TGC, containing 5.7Mt of graphitic carbon. This resource is classified as an Inferred Mineral Resource in accordance with the guidelines of The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition) as reflected in Table 5 below.

Deposit	Classification	Tonnes (Mt)	Grade (TGC%)	Contained Graphite (Mt)
Cobra Plains	Inferred	103	5.2	5.7

Table 5: Cobra Plains Mineral Resource Estimate Table (reported above a 2% graphitic carbon cut-off grade)

Competent Person's Statement
The information in this report that relates to Mineral Resource estimate at the Cobra Plains deposit on Balama North project is based on, and fairly represents, information and supporting documentation prepared by Mr Mark Drabble, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Drabble is not a full-time employee of the Company. Mr Drabble is employed as a Consultant from Optiro Pty. Ltd. Mr Drabble has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)'. Mr Drabble consents to the inclusion in this report the exploration results and the supporting information in the form and context on which they appear.

Annual Review
The Company reported its maiden Mineral Resource at Cobra Plains on 26 February 2014. As a result of the annual review of the Company's Cobra Plains resource, there has been no change to the resource since it was first reported on 26 February 2014.

Governance of Cobra Plains Resource
The Company engages external consultants and Competent Persons to prepare and calculate estimates of its Cobra Plains Resource. These estimates and underlying assumptions are reviewed by the Board and Management for reasonableness and accuracy. The results of the Cobra Plains Resource estimates are then reported in accordance with the JORC Code and other applicable rules. Where material changes occur during the year to a project, including the project's size, title, exploration results or other technical information, then previous resource estimates and market disclosures are reviewed for completeness. The Company reviews it Cobra Plains Resource as at 31 December each year. Where a material change has occurred in the assumptions or data used in previously reported Cobra Plains Resource, a revised resource estimate will be prepared as part of the annual review process.

REVIEW OF OPERATIONS

ANCUABE PROJECT

The Ancuabe project is located approximately 60km due west from Pemba, in northern Mozambique. As can be seen in Figure 4 below, the Company's tenements surround the historic Ancuabe Mine.

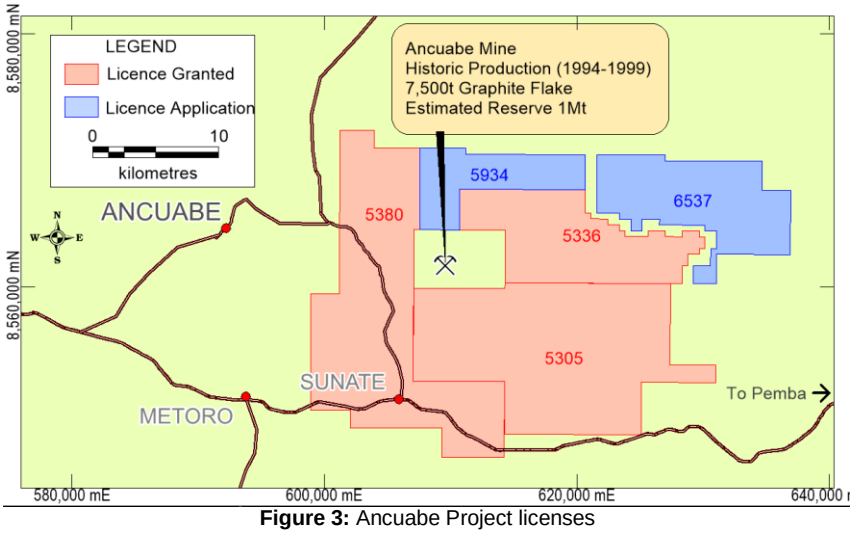

Figure 3: Ancuabe Project licenses

EXPLORATION ACTIVITIES

A program comprising over 1,800 line km of the helicopter-borne geophysical survey of VTEM Plus (Full-Waveform) and magnetic gradiometer (VTEM Survey) was completed over the Ancuabe project licenses late in 2014. A total of 10 VTEM-based large and significant conductive responses (typical of high grade graphite mineralisation) have been identified within License 5336 of the project area.

Prospect area 1 (Figure 4 below) is particularly significant as it appears to form a potential satellite mineralised body along strike north east from the historic Ancuabe graphite mine, which is currently held by Graphite Kropfmuehl ("GK"), the operational graphite division of AMG Mining AG. Further, this location is important given its close proximity to the small functioning graphite processing plant at the Ancuabe graphite mine site.

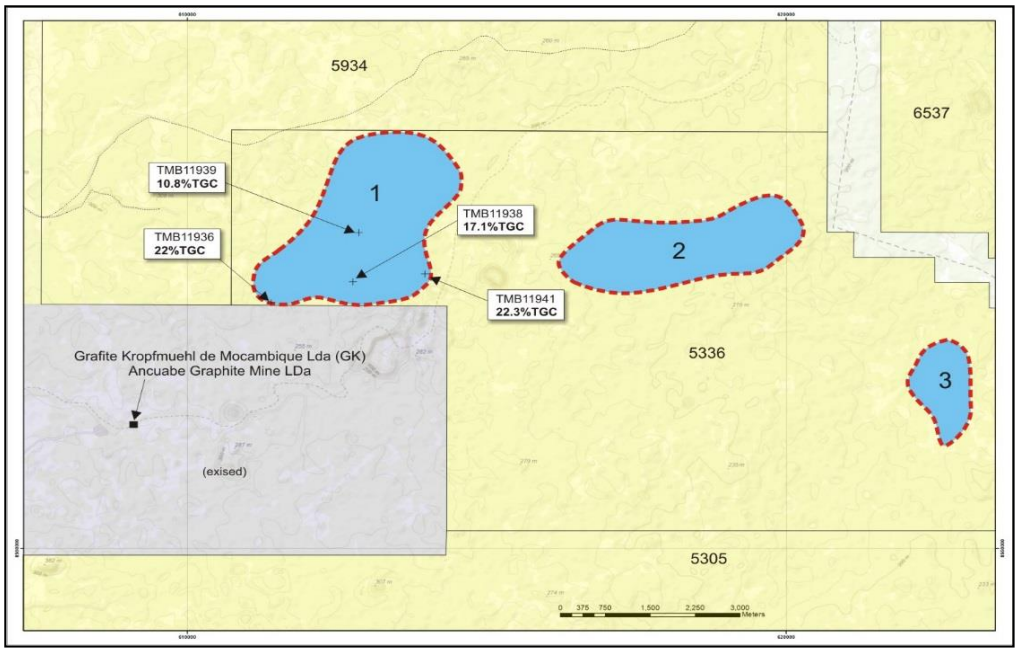

Figure 4: VTEM Target Areas and initial rock chip sample results

During August 2015, Triton commenced a limited initial drilling program designed to test a number of VTEM-based targets at Ancuabe.

REVIEW OF OPERATIONS

Access to some drill targets was restricted due to the rough terrain and heavy vegetation, so Triton mobilised a D6 bulldozer to site in order to create the relevant assess tracks.

The earthworks, carried out in clearing and preparation of some drill pads, exposed limited graphitic mineralisation at surface, which includes very high grade and jumbo flake graphitic material. These near-surface finds confirm the previous identification of graphitic outcropping.

During November 2015, Triton announced the completion of the initial drilling program at the T12 prospect at the Ancuabe Graphite Project. Ancuabe T12 has been tested by a total of 11 diamond and 18 reverse circulation (RC) drillholes (Figures 4). Assay results have been received for eight of these drillholes are detailed below and assay results for the remaining holes will be reported as they become available.

Drilling results received to date are considered to be encouraging for the initial exploratory program designed to test the T12 geophysical anomaly. Results have been received for eight holes in the 29 hole program which tested a 700m long section located at the western edge of a 4km long anomaly (Figure 4). A representative from independent resource consultants Jorvick Resources Pty Ltd (Perth) has completed a site visit to Ancuabe to ensure that all sampling, logging and QAQC procedures have been conducted to industry standards and to independently verify the surface expressions of graphite mineralisation.

Ancuabe is distinguished by the dominance of jumbo (>300µm) and super jumbo (>500µm) flake graphite that forms the main mineral constituent of a gneissic host rock. Given the dominance of high-value flake sizes the minimum targeted average grade of this style of deposit range is 5%TGC. Due to the high prices that jumbo and super-jumbo flake graphite can attract, Triton's target grades and tonnages for the initial program of exploratory drilling were set at 5%TGC over downhole (mineable) widths of not less than 3m ie.,a grade x tonnage (GT) criteria of 15.

Preliminary metallurgical test work completed by Triton, based on graphite outcrop samples, returned encouraging recovered flake size results with 72% >300µm. Trial concentrate production achieved an average grade of 98.2%TGC at 97% recovery through a simple four stage flotation process.

Ancuabe T12 is located 9km east north east of the Graphite Kropfmühl (GK) graphite operation that is currently undergoing refurbishment in preparation for recommencement of graphite production. Whilst in operation with the previous owners - Kenmare Resources Plc the mine was world-renowned as a preferred source of large-flake high-value graphite.

Triton has a formal 2 year strategic alliance with GK to explore and identify the graphite potential of the Ancuabe region. In early November 2015 both GK and Triton management completed a day long site visit at Ancuabe. The visit involved an extensive review of the current exploration and development activities being completed by both companies at Ancuabe and to facilitate a further strengthening and understanding of the current and future alliance between the companies.

Graphite mineralisation has been discovered at the T16 target which is located 4km due east from T12. Large flake graphite, similar to that found at T12, is exposed continuously over a horizontal width of 100m over strike length of approximately 800m. T16 is located on the T16-T17 target horizon that is separate from the T12 – T15 trend. The implications of this discovery are:

- Confirmation that an additional large flake graphite trend exists to the east of the T12-T15 trend,
- Additional potential to define economic concentrations of large flake high-value graphite, and
- Potential satellite source of graphitic material for a proposed centralised processing plant.

Subsequently in 2016, Triton announced a mineral resource estimate at the Ancuabe T12 location.

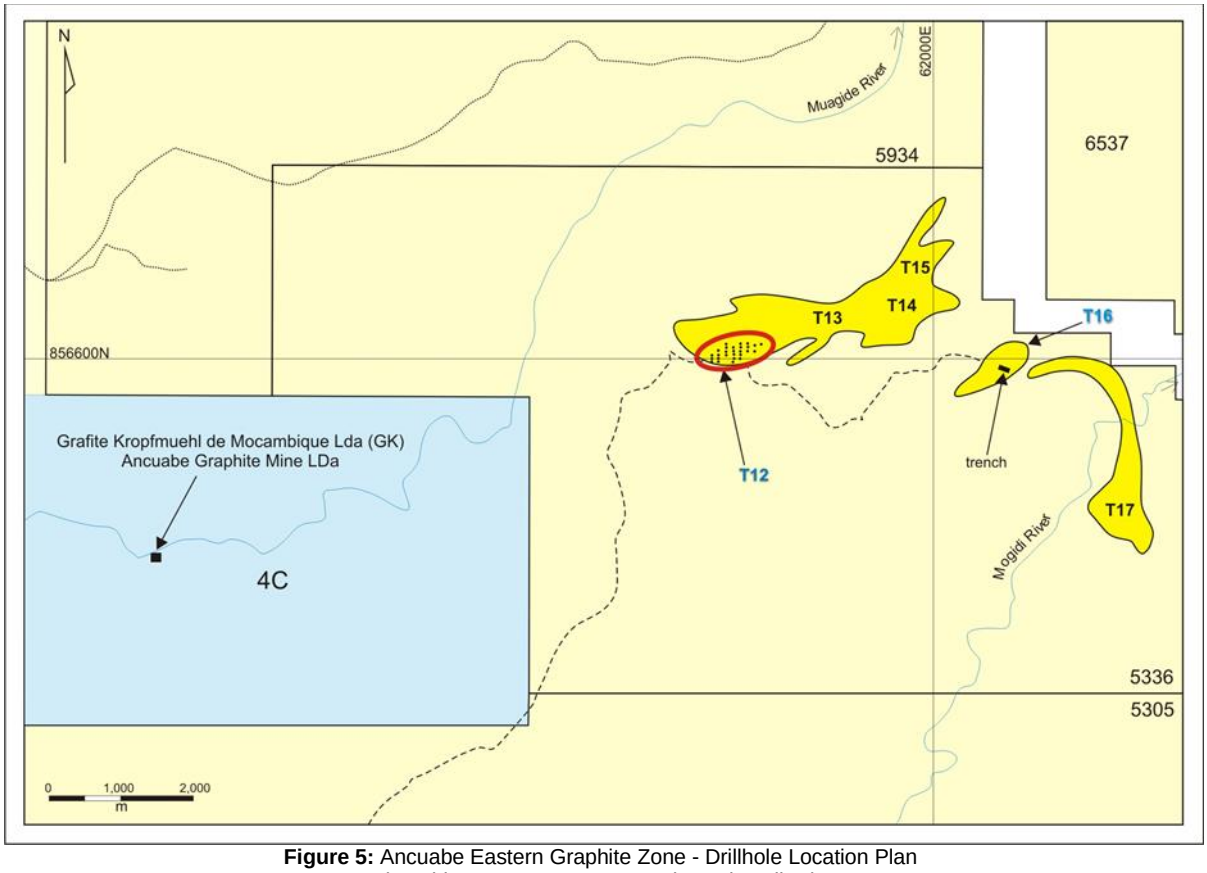

Figure 5: Ancuabe Eastern Graphite Zone - Drillhole Location Plan
(graphite-VTEM target zones shown in yellow)

Ancuabe has the potential for a bulk mining scenario which would make it possible for a long-term assured source of flake graphite concentrate, having the most highly desired and valued qualities of flake size, purity and consistency.

METALLURGICAL RESULTS

A metallurgical test work program from the Ancuabe Graphite project was undertaken at the Mintek Laboratories in Johannesburg. The material used for this test work was derived from a representative 100kg composited reconnaissance sample of outcropping graphite mineralisation averaging 14%TGC.

The results confirm the high value potential of the Ancuabe project, with high graphite grades of up to 24%TGC obtained in certain coarse size fractions and the majority of the graphite flake sizes contained within the jumbo and super jumbo flake range. The objectives of the testing was to achieve a grade of >90% while maintaining maximum flake size.

The preliminary metallurgical tests confirmed grades of up to 98.7% TGC, after only 4 cleaner stages after a single bead mill regrind has very positive implications for potential downstream economics of processing the Ancuabe graphite ore.

The latest flotation results continue to demonstrate the strong presence and recovery of jumbo graphite flakes, and including graphite flakes in excess of 3mm being identified during the flotation process.

Flake Size			**Ancuabe**
	Mesh	Micron (µm)	Mass %
Super Jumbo	35	>500	43.2
Jumbo	35-48	300-500	29.4
Large	48-80	180-300	15.6
Medium	80-100	150-180	3.3
	Total	>150	91.5
Small	100-200	75-150	5.5

Very Fine	200	<75	3.0
	Total	<150	8.5
Recovery			95.8
Concentrate Grade			97.8

Table 6. Mineralogical Flake size distribution of the graphite as obtained from samples at Ancuabe.

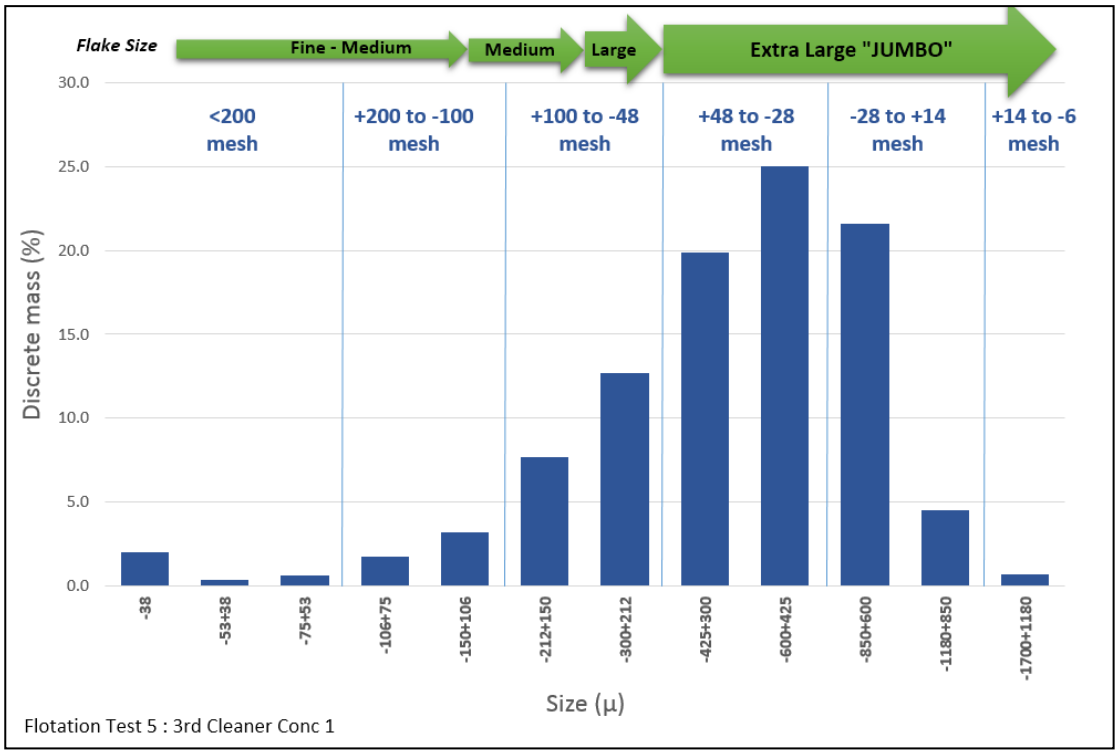

Figure 6. Graph of graphite concentrate flake size distribution

ANCUABE BULK CONCENTRATE PRODUCTION

Due to the high customer demand for samples of Triton's Ancuabe graphite concentrate, a trial bulk production cycle was initiated at Mintek in Johannesburg.

In addition the sample run was used to compare the laboratory test work completed earlier in 2015, with a larger scale production scenario.

During this production cycle an average grade of 98.2%TGC was achieved with a metallurgical recovery of 97%.

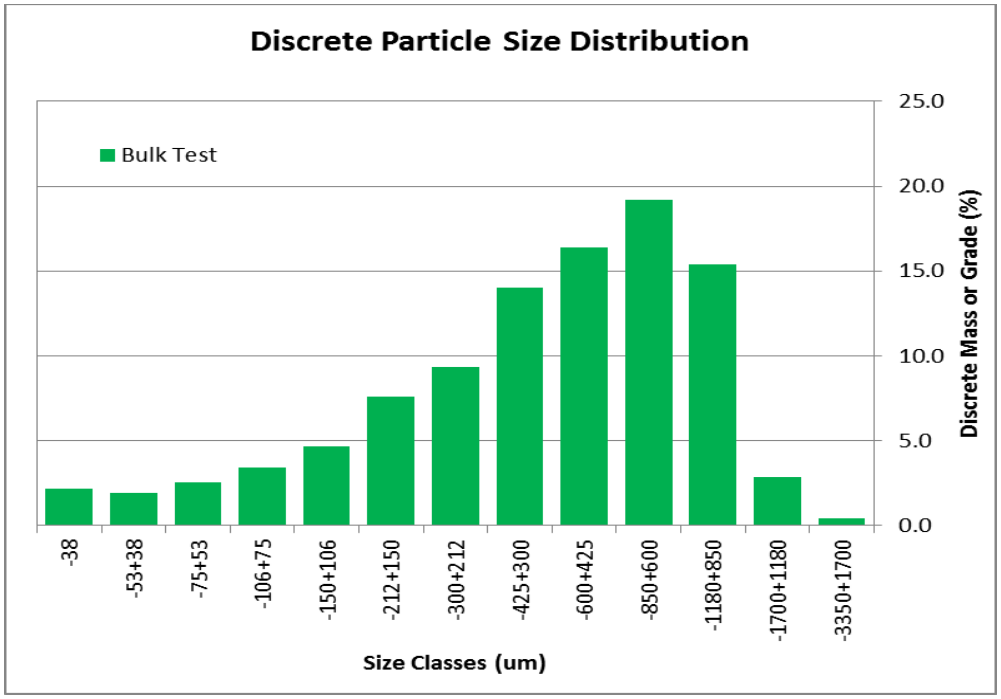

Figure 7: Ancuabe Discrete Particle Size Distribution

During the bulk sample test work graphite concentrates were produced in excess of 98%TGC, whilst still preserving the majority of graphite flake sizes. The graphite flakes were obtained through the standard methods of crushing, grinding, rougher and cleaner flotation.

The Company found that over 85% of the graphite particle sizes were larger than 150µm (+100 mesh) (Figure 6) and the majority were in excess of 300µm (+50 mesh).

Figure 8. Jumbo graphite flake recovered from Ancuabe.

These results demonstrate the high quality of the Ancuabe graphite and concentrate samples were despatched to several parties across the globe that have expressed interest in testing the material.

Very large flake graphite sourced from Ancuabe may provide Triton the ability to produce a wide size range of high quality graphite concentrates in order to cater for a variety of end-user requirements.

BALAMA SOUTH PROJECT

The Balama South project is located approximately 35 km south of the Balama township within the same north-east trending geological domain covered by the Balama North project which hosts the Cobra Plains deposit and the Nicanda Hill resource.

EXPLORATION PROGRAM

Triton has completed a small reconnaissance geological mapping and sampling program on the Balama South project. The program was designed to confirm the presence of graphitic mineralisation as identified by the VTEM survey completed in 2014. A number of rock chip samples were obtained from graphitic outcrops and have been sent to the Mintek laboratories in South Africa for analysis.

METALLURGY & ANALYSIS

Initial flotation test work was completed on a 32kg rock chip bulk sample collected from the central section of the Balama South prospect (Figure 5). The test work was conducted by Mintek (Johannesburg). Balama South host rocks typically comprise very coarse grained schist that contain coarse graphite flake, similar to the Ancuabe style of graphite mineralisation. The presence of vanadium in the schist, as evidenced by the presence of roscoellite, is similar to Balama North graphite mineralisation. As such this graphite schist appears to be a hybrid style of graphite mineralisation.

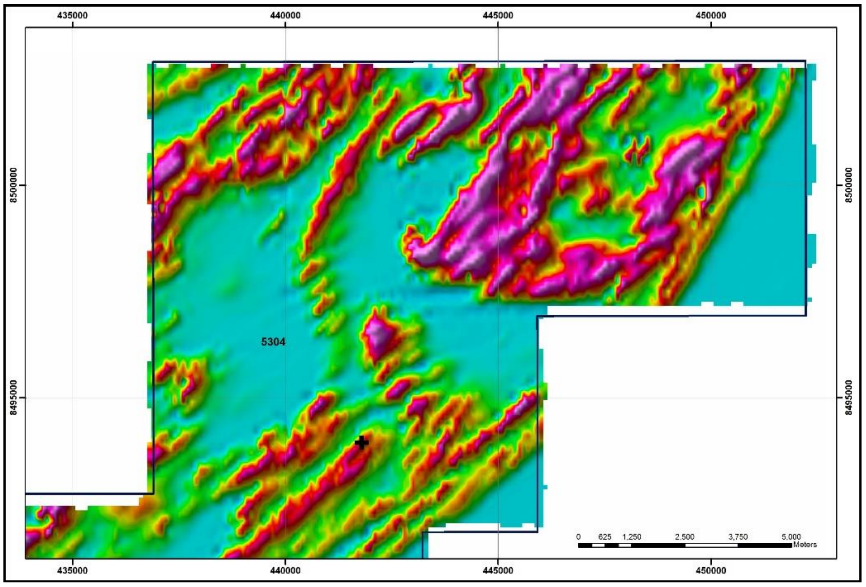

Figure 9: Balama South location plan showing bulk sample site overlain on VTEM imagery

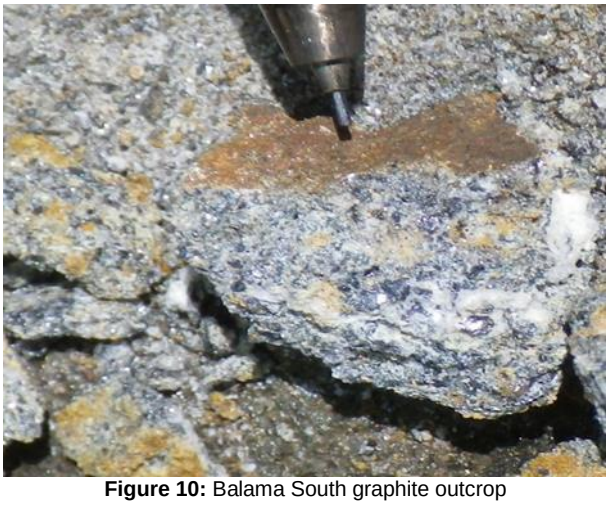

Figure 10: Balama South graphite outcrop

REVIEW OF OPERATIONS

Table 7 shows the flake distribution and key results that include a final concentrate grade of 97%TGC with recoveries exceeding 90%. More than 34% of the flake size graded above 150µ in size

Flake Size		Balama South
Mesh	**Micron**	**Mass %**
80	>180	21.5
-80 to100	>150	12.6
Total	**>150**	**34.1**
-100 to 140	>105	23.3
-140	<105	42.6
Total	**<150**	**65.9**
Head Grade		10.1%
Recovery		91.0
Con Grade		**97%**

Table 7: Balama South flotation test work results

These initial test results are considered to be encouraging and further exploration is justified. The main VTEM anomaly that is located 5km to the north of the sample site is still to be fully assessed.

GOLD PROJECT
AUSTRALIA – Albany Fraser Province (WA)

The Fraser Range North project covers the juncture of the Kurnalpi Terrane of the Yilgarn Craton within the Albany-Fraser Province in Western Australia. The Kurnalpi Terrane contains the large-scale Claypan and Pinjin Faults.

In September 2012 the Company executed a Joint Venture Agreement which granted Matsa Resources Limited ("Matsa") a farm-in 90% interest in the Fraser Range North licenses.

During the year, our Joint Venture partners Matsa continued their work on the project until the licenses which constitute the Fraser Range North project were surrendered by the parties in September 2015.

CORPORATE

CAPITAL RAISINGS

During the financial year the Company successfully raised approximately $13.7 million, which has allowed Triton to progress the development of its Mozambique graphite projects and fund the achievement of the numerous milestones achieved during the year. The capital raisings also ensured that the Company welcomed new institutions and investors to the Company.

LSI FUNDING AGREEMENT

The Company entered into a binding agreement with Long State Investments Limited ("LSI"), to provide the Company an equity placement funding facility of up to A$20 million, over the next two years ("LSI Facility").

The LSI Facility provides Triton full discretion to access the facility and should the Company do so, the Company has the ability to set the share issue price, determine the amount of funds raised through placement tranches and when the placement of shares will occur.

Further, the LSI Facility can be utilised by Triton at any time during the 2 year term or terminated early without penalty. Another feature is that there are no restrictions or penalties imposed upon the Company if it raises additional capital through other means.

Triton has obtained the LSI Facility to provide the Company certainty and security in being able to fund its current and future activities. The LSI Facility offers Triton a funding solution that is intended to be used in conjunction with the more traditional methods of raising capital in the open capital markets.

Subsequently following the appointment of the Administrators on 02 March 2016, the LSI Facility was terminated in accordance with the terms of the agreement.

PROJECT FUNDING - SHENZHEN QIANHAI ZHONGJIN GROUP CO., LTD

On 27 April 2015, the Company announced the formal signing of a letter of intent (LOI) with Chinese equity firm and resources trading house, Shenzhen Qianhai Zhongjin Group Co., Ltd ("SQZG"). Pursuant to the LOI, SQZG have agreed to provide up to US$100 million direct equity investment in Triton and up to a US$100 million debt facility funding for a total of up to US$200 million to build and develop a graphite concentrate operation with initial capacity to produce up to 200,000 tonnes of graphite concentrate per year at Nicanda Hill.

The debt facility will be for a maximum term of five years from the date of funding and during the term of the loan and until the debt full is paid in full, Triton agrees to provide SQZG with up to 200,000 tonnes of graphite concentrate at a fixed price US$875 per tonne FOB of material for any shipment, subject to purity of the graphite concentrate of not less than 90% and moisture content of up to 1%.

Both the project funding agreement and the off-take agreement are conditional on the completion of a formal due diligence by SQZG, to be completed no later than 30 June 2015 and the execution of final binding agreements.

On 2 June 2015, the Company announced that SQZG had sought an extension to the LOI equity and debt funding due diligence deadline of 30 June 2015 which was announced by the Company on 27 April 2015, for up to six months to incorporate a formal review of the Ancuabe graphite project as well as the Nicanda Hill project.

On 21 December 2015, the Company announced that SQZG had agreed to a further in-principle extension of the LOI due diligence period to 31 March 2016. Subsequently in 2016 the LOI lapsed.

BOARD APPOINTMENTS

In June 2015, Mr Christopher Catlow was appointed to the Board as Non-Executive Chairman as Mr Alan Jenks assumed the role of Non-Executive Director. In August 2015, a new Mozambican Non-Executive Director, Ms Paula Ferreira, was appointed to the Board.

MANAGEMENT APPOINTMENTS

In December 2015, Mr Garth Higgo was appointed to the role of Chief Executive Officer following the resignation of Mr Bradley Boyle in December 2015. Mr Higgo was subsequently appointed Managing Director in January 2016.

Competent Person's Statement

The information in this report that relates to the Mineral Resource estimate at the Nicanda Hill deposit (Balama North project) is based on, and fairly represents, information which has been compiled by Mr James Ridley. Mr Ridley is a Principal Geologist at Jorvik Resources Pty Ltd, who is an independent consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr Ridley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ridley consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Mineral Resource estimate at the Cobra Plains deposit (Balama North project) is based on, and fairly represents, information and supporting documentation prepared by Mr Mark Drabble, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Drabble is not a full-time employee of the Company. Mr Drabble is employed as a Consultant from Optiro Pty. Ltd. Mr Drabble has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)'. Mr Drabble consents to the inclusion in this report the exploration results and the supporting information in the form and context in which they appear.

Forward-Looking Statements:

This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Triton Minerals Ltd's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Triton Minerals Ltd believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

The Board of Directors is responsible for the corporate governance of the Company. Corporate governance describes the framework of rules, relationships, systems and processes within a company and the way in which authority is exercised and controlled within an organisation. The Board guides and monitors the business and affairs of the company on behalf of security holders by whom they are elected and to whom they are accountable.

The Board has considered the eight principles of corporate governance as set out by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Principles and Recommendations"). The Principles and Recommendations are not mandatory and the statement below discloses the extent to which the Company has followed the Principles and Recommendations during the period to 31 December 2015. The Company's Corporate Governance Statement and Corporate Governance Plan have been approved by the Board and are available on the Company's website at www.tritonminerals.com.

PRINCIPLES AND RECOMMENDATIONS

The essential corporate governance principles are:

1 Lay solid foundations for management and oversight;
2 Structure the board to add value;
3 Act ethically and responsibly;
4 Safeguard integrity in corporate reporting;
5 Make timely and balanced disclosure;
6 Respect the rights of security holders;
7 Recognise and manage risk;
8 Remunerate fairly and responsibly.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT.

1.1: Companies should disclose the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management.

Roles and Responsibilities:

The roles and responsibilities of the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies, and ensure appropriate resources are available to meet objectives and monitor management performance;
- Assess and review risk exposure, including systems of risk management, internal compliance and control, codes of conduct;
- Monitor financial performance and approve major capital expenditure, capital management and significant acquisitions, divestitures and issue of new securities;
- Oversee compliance, corporate governance, and legal obligations;
- Approve the annual and half-year financial statements;
- Recommend to shareholders to appoint and remove the Company's Auditor;
- Approve significant changes to the organisational structure;
- Appoint and assess the performance of the Managing Director and senior executives and determine their terms and conditions including remuneration and termination;
- Promote ethical and responsible decision making; and
- Report to shareholders.

The roles and responsibilities of management are to:

- Develop and recommend internal control and accountability systems for the Company;
- Implement and maintain mission systems, corporate strategy and performance objectives;
- Implement and maintain systems of risk management and internal compliance and controls, codes of conduct, legal compliance and any other regulatory compliance and if approved, ensure compliance with such systems;
- Monitor employees' performance, recommend appropriate resources and review and approve remuneration;

- Prepare all required financial reports, tax returns, budgets and any other appropriate financial reports, meet all statutory deadlines and monitor performance against budgets;
- Protect the assets of the Company and prepare recommendations on acquisitions and divestments of assets;
- Implement decisions of the Board of Directors on key standards of the Company covering such areas as ethical standards, reputation and culture of the Company and influence and provide guidance for employees on these areas; and
- Undertake best endeavours to add value to the Company in a professional, ethical and accountable manner.

The Company's Board charter is included in the Corporate Governance Plan which is available on the Company's website www.tritonminerals.com

1.2: Companies should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director and provide security holders with all material information. Companies should also provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company undertakes appropriate checks before appointing a new director or putting forward to security holders a candidate for election as a director. These checks include a review of the person's character, references, experience, education, qualifications, criminal record and/or bankruptcy record.

The Company provides all material information in its possession relevant to security holders to assist in their decision on whether or not to elect or re-elect a director. This information includes:

- biographical details; including relevant qualifications, skills and experience;
- details of any other material directorships or executive roles;
- any material adverse information revealed by background checks;
- positions, responsibilities or interests that might impact independent judgement;
- if the candidate is an independent director; and
- the term of the office currently served by the director.

This information will typically be provided in the relevant notice of meeting for a shareholders' meeting and also on the Company's website.

1.3: Companies should have a written agreement with each director and senior executive setting out the terms of their appointment

All directors and senior management are appointed through a written agreement that sets out the terms of appointment, including their duties, rights and responsibilities.

The directors receive a letter of appointment which includes the following matters:

- estimated time commitment for the role;
- indemnity and insurance arrangements;
- remuneration;
- the requirement to disclose director interests and any matters which affect director independence;
- rights to obtain independent professional advice;
- obligation not to divulge confidential information;
- consent to the use of electronic means to hold or call a directors meeting; and
- access to the company secretary.

Executive directors and senior executives receive an executive service agreement which includes the following matters:

- appointed role, title and reporting line;
- executive duties and use of company property
- remuneration and benefits;
- leave entitlements;

- insurance arrangements;
- intellectual property rights;
- obligation not to divulge confidential information; and
- terms of termination.

1.4: The Company Secretary should be accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.

The Board Charter makes provision that the Company Secretary is accountable to the Board through the Chairman and that each Director is able to communicate directly with the Company Secretary and vice versa. The Company Secretary is responsible for:

- advising the Board on corporate governance matters, the Company's constitution and ASX listing Rules and other applicable laws;
- managing the company secretarial function and facilitating the flow of information of the Board, between the Board and its committees and between senior executives and non-executive directors;
- to facilitate the induction of new directors and the implementation and maintain Board policies and procedures; and
- organise Board and Shareholder meetings, taking minutes and communicating with the ASX.

1.5: The Company should have a diversity policy which include requirements for the board to set measureable objectives for achieving gender diversity and to assess annually both the objectives and progress in achieving them. The Company should disclose that policy or a summary of it and its progress towards achieving the objectives.

Diversity Policy
The Company is dedicated to managing diversity as a means of enhancing the Company's performance and organisational capabilities by recognising and utilising the contribution of diverse skills and attributes of all of its directors, officers and employees**.**

Diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal circumstance or attribute. The Company values the differences between its personnel and the valuable contribution that these differences can make to the Company.

The Company encourages diversity and fosters an environment within the Company that respects diversity in the work place and promotes equal opportunities for employment and a work environment that is free from harassment. The Company will not permit unwanted conduct based on an officer, employee or contractor's personal circumstances or characteristics.

The Company's Diversity policy is included in the Corporate Governance Plan which is available on the Company's website.

The Board has set measurable diversity objectives which include:

- recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- reviewing succession plans to ensure an appropriate focus on diversity;
- identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including targeted training and development;
- developing a culture which takes account of domestic responsibilities of employees; and
- any other procedural or structural objectives; initiatives and programs and/or targets in respect of diversification of employees, management and supporting roles that are appropriate for the Company.

CORPORATE GOVERNANCE STATEMENT

During the year all senior executives undertook training and professional development programs to broaden their skill sets and encourage the development of technical knowledge to support them in their roles and in their career development.

The Company has a culture that strives to establish an appropriate work/life balance. All employees have access to flexible working arrangements which support employees and consider their domestic responsibilities.

During the year, the Company has appointed 1 female director and 1 male director to increase the size of the Board members from the existing 3 male directors. Following the resignation of the Managing Director in December 2015, the Board of Directors was a total of 4 members at the reporting date. Therefore the proportion of women on the Board at the reporting date was 25%. In future the Board will seek to appoint further female directors should a casual vacancy and an appropriately skilled candidate become available.

During 2015, the roles of the Chief Financial Officer & Company Secretary and Corporate Affairs Manager are undertaken by women, representing 40% of the senior executive team. Senior executives are those persons who have reporting staff and financial authority delegated by the Board.

The proportion of women employees across the whole organisation at the reporting date was 48%.

During 2015, the Company increased the proportions of female representation at all levels of the organisation.

1.6: Companies should disclose the process for periodically evaluating the performance of the board, its committees and individual directors. The entity should disclose whether a performance evaluation was undertaken during the reporting period in accordance with that process.

The Board Charter that forms part of the Corporate Governance Plan requires that an annual performance evaluation be undertaken by the Board to ensure that the responsibilities of the Board are discharged in an appropriate manner. The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively. The performance review is led by the Chairman of the Remuneration and Nomination Committee, who is a Non-Executive Director.

The performance evaluation process is detailed in the Corporate Governance Plan which is available on the Company's website and the review will include:

(i) comparing the performance of the Board with the requirements of its Charter;
(ii) examination of the Board's interaction with management;
(iii) the nature of information provided to the Board by management; and
(iv) management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The performance of the Board has been reviewed and evaluated internally during the period by the Chairman through an informal peer review. Additional independent directors with diverse skills and experience were appointed during the period as a result of the review.

1.7: Companies should disclose the process for periodically evaluating the performance of its senior executives. The entity should disclose whether a performance evaluation was undertaken during the reporting period.

The annual review of senior executives' performance and remuneration are carried out by the Chief Executive Officer, in accordance with the terms and conditions of the executive's employment agreement. The Chief Executive Officer will make recommendations to the Nomination and Remuneration Committee ("Committee"). The Chairman of the Board will undertake the review of the Chief Executive Officer's performance and will make a recommendation to the full Board.

The Committee will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director or Key Management Personnel. At these meetings, the particular Director declare his/her interest and not vote, and will depart from the meeting, so as not to be present whilst the matter in which they have an interest is being discussed.

The evaluation of performance of senior executives has taken place during the year in accordance with the process disclosed above.

2. STRUCTURE THE BOARD TO ADD VALUE.

2.1: The board should establish a nomination committee. The nomination committee should be structured so that it:

- **has at least three members;**
- **consists of a majority of independent directors;**
- **is chaired by an independent director;**
- **disclose the charter and the members of the committee; and**
- **disclose the number of times the committee met throughout the period and the individual attendances.**

The Company has a formal charter for the Nomination Committee to assist the Committee to discharge its duties, which are included as a part of the Company's Corporate Governance Plan and is available on the Company's website.

In accordance with the charter, the Committee will periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

(a) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company;
(b) approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
(c) assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board;
(d) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
(e) review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
(f) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
(g) arrange an annual performance evaluation of the Board, its Committee and individual Directors;
(h) make recommendations to the Board on the appropriate size and composition of the Board; and
(i) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

The members of the Remuneration and Nomination Committee during the period to July 2015 included Messrs Jenks and Gillman, who are not independent directors. The Remuneration and Nomination Committee meet once during the year. Refer to section 11 of the directors' report for details of the directors and committee meetings and attendees.

Mr Catlow was appointed Chairman of the Committee during July 2015 (previously Mr Jenks) and is considered an independent director. During August 2015, Ms Ferreira was appointed as a member of the Committee, following which Mr Gillman stepped down.

From the time of Ms Ferreira's appointment to the Remuneration and Nomination Committee in August 2015, the Company was in compliance with principle 2.1. However, prior to that time, the Company did not comply with principle 2.1 as the majority of the Board of Directors were not independent and there were not sufficient independent directors to constitute a majority on the

CORPORATE GOVERNANCE STATEMENT

Remuneration and Nomination Committee.

2.2: The board should disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership

The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. At the reporting date the Board consisted of four members: Non-Executive Chairman, two Non-Executive Directors and the Technical Director.

The Directors bring a range of knowledge and skills to the Board including geological, legal, finance, marketing, corporate governance and geographical knowledge. Triton will seek to appoint additional director/s to the Board in 2016 to enhance the Board's skill set.

The Board has a skills matrix and the skills and experience of the Directors are reviewed on a regular basis. The table below shows the skills and experience that the Board considers important for the Company and number of members that have the relevant skills and/or experience.

TRITON MINERALS LTD – BOARD SKILLS MATRIX	
31 DECEMBER 2015	
DIRECTOR EXPERIENCE, SKILLS & ATTRIBUTES	**BOARD MEMBERS**
Board Composition	4
EXPERIENCE	
Resources industry experience Experience in exploration phase of the mining industry	3
Board level experience Board member of other organisations	4
Geographical experience Africa, in particular Mozambique	2
Capital market experience	1
Project development experience	2
SKILLS & ATTRIBUTES	
Strategic	4
Leadership	4
Corporate Governance	3
Risk management	4
Legal, corporate finance, accounting and tax	2

2.3: The board should disclose the names of the directors considered by the Board to be independent directors and the length of service of each director

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- has a material contractual relationship with the entity or its child entities other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that his or her independence may have been compromised.

At the reporting date, the Chairman, Mr Christopher Catlow appointed 5 June 2015 and Non-Executive Director, Ms Paula Ferreira appointed 24 August 2015, were considered to be independent.

Non-Executive Director, Mr Alan Jenks is a substantial shareholder of the Company and therefore is not considered independent. The Technical Director, Mr Alfred Gillman is not considered to be independent due to his executive role.

2.4: A majority of the board of the Company should be independent directors.

At the reporting date, the Board was comprised equally of 2 independent directors, appointed in June and August 2015 and 2 directors that are not independent. During the year ended 31 December 2015, the Company did not comply with principle 2.4, as the majority of the Board were not independent directors.

The Company maintains a mix of directors from different backgrounds with complementary skills and experience, however is aware of the importance of having a Board with a majority of its directors being independent. In the future the Company intends to seek out and appoint independent directors to the Board when additional directors are required in order to meet the ASX recommendation of maintaining a majority of independent Non-Executive Directors.

2.5: The chair of the Board should be an independent director and should not be the same person as the CEO.

During the majority of the year, the Company had a Non-Executive Chairman and a Managing Director & Chief Executive Officer and subsequently in December 2015 a Chief Executive Officer who was not a director, therefore in accordance with the ASX Corporate Governance Principles, the role of Chair and Chief Executive Officer are not undertaken by the same individual.

2.6: The Company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain their skills and knowledge needed to perform their roles as directors effectively.

All new directors are appointed through a written agreement that sets out their duties, rights and responsibilities. The Company Secretary through the Board is responsible for the program to induct new directors.

The Board encourages directors to continue their education and maintain the skills required to discharge their duties by providing professional development opportunities.

Independent professional advice
Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld. A copy of any such advice received is made available to all members of the Board.

3. ACT ETHICALLY AND RESPONSIBLY
3.1: Companies should establish a code of conduct for its Directors, senior executives and employees and disclose the code or a summary of the code.

The Company is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is made aware of the Company's Policies and Procedures at the commencement of their employment with the Company and regularly throughout their employment.

The Company's Corporate Code of Conduct is included in the Corporate Governance Plan which is available on the Company's website. All Directors, senior executive and employees are expected to:

- behave honestly and with integrity and report other employees who are behaving dishonestly;
- operate within the law at all times;

- follow the policies of the Company;
- act in the best interests of the Company;
- act in an appropriate business-like manner when representing the Company, and
- avoid conflicts of interest.

Unethical practices or inappropriate behaviour can be reported to the Chief Executive Officer, Chairman or company Secretary, or in relation to the Board, unethical practices may be reported to the Company's auditor.

4. Safeguard integrity in corporate reporting.
4.1: The board should have an audit committee. The audit committee should be structured so that it:

- **has at least three members;**
- **consists only of Non-Executive Directors;**
- **consists of a majority of independent directors;**
- **is chaired by an independent chair, who is not chair of the board;**
- **has a formal charter and disclose the charter of the committee;**
- **disclose the relevant qualifications and experience of the members of the committee; and**
- **the number of times the committee met throughout the period and the individual attendances.**

If the Company does not have an audit committee disclose the fact and the process it employs that independently verify and safeguard the integrity of its corporate reporting, including the process for appointment and removal of the external auditor and rotation of the engagement partner.

The Company has a formal charter for its Audit and Risk Committee, whose members at the reporting date include Messrs Jenks and Catlow and Ms Ferreira. At the reporting date, the Chairperson of the Audit Committee was Ms Ferreira, who is not the Chairperson of the Board. The Company has determined that Mr Ferreira is the most suitable director to chair the Audit and Risk committee due to her competency in accounting, leadership and corporate governance.

The Audit Committee's primary purpose is to assist the Board in fulfilling its statutory and fiduciary responsibilities and provides an active role in the following activities:

- Review the appropriateness of the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external auditor;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Establish procedures for treatment of accounting complaints;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board;
- Monitor the need for a formal internal audit function and its scope;
- Assess the performance and objectivity of any internal audit procedures that may be in place; and
- Identification and management of business risks.

The Company's Audit Committee charter is included in the Corporate Governance Plan which is available on the Company's website www.tritonminerals.com. Refer to sections 10 and 11 of the Directors' report for details of the Audit and Risk Committee meetings and attendees and the relevant qualifications and experience of the members of the committee.

4.2: The Board should, before it meets to approve the entity's financial statements for a financial period, receive from its Chief Executive Officer and the Chief Financial Officer a declaration that in their opinion the financial records of the entity have been properly

maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Prior to the Board's approval of its financial statements, the Company's Chief Executive Officer and Chief Financial Officer will report in writing to the Board regarding the consolidated financial statements of the Company for the half and full financial year, that:

- the financial records have been properly maintained;
- the financial statements and notes comply with the accounting standards; and
- present a true and fair view, in all material respects, of the Company's financial position and performance during the period; and
- the financial statements have been prepared on a sound system of risk management and internal control which is operating effectively.

4.3: The company's external auditor should attend the annual general meeting (AGM) and must be available to answer questions from security holder relevant to the audit.

The Company's external auditor, Nexia Perth Audit Services Pty Ltd, attends each annual general meeting, and is available to answer questions from shareholders regarding:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditors in relation to the conduct of the audit.

Shareholders can also provide written questions before the AGM. A list of these questions will be distributed at the meeting and the Chairman will allow reasonable opportunity for the auditor to respond to the questions.

5. MAKE TIMELY AND BALANCED DISCLOSURE

5.1: Companies should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose the policy or a summary of it.

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market in a timely and balanced manner of all information, required to be disclosed in accordance with the ASX Listing Rules, which the Board believes would have a material effect on the price of the Company's securities.

The Company has a Continuous Disclosure Policy which appoints the Company Secretary as the person responsible for communication with the ASX. This role includes responsibility for:

- ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules;
- overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public; and
- providing guidance to directors and employees on disclosure requirements and procedures.

Directors and senior executives have the responsibility to disclose to the Board and the Company Secretary of any matters or information that may have a material effect on the price of the Company's securities, including misinformation that may be in the public domain.

6. RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1: The company should provide information about itself and its governance to investors via its website.

The Company's website (www.tritonminerals.com) provides timely and equal access to security holders about the Company's activities so that they can make informed decisions. The website has a dedicated Investors section which publishes all important Company information and relevant ASX announcements made to the market as soon as practicable after their release

CORPORATE GOVERNANCE STATEMENT

The Company's website has a Corporate Governance section that includes a Corporate Governance Plan, the Corporate Governance Statement, the Company Constitution and the Securities Trading Policy. The Company's Corporate Governance Plan includes the Company' key governance policies and charters.

The Company's website also includes information regarding the Company's directors and senior executives as well as various videos and company information to assist security holders and potential investors to understand the Company's business.

6.2 Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company is committed to keeping shareholders fully informed of significant developments involving the Company's affairs. In addition to the Company's ASX announcements of its financial statements, periodic reporting and Notices of Meeting, the Company also provides regular communication on significant operational matters.

The Company's external auditor, Nexia Perth Audit Services Pty Ltd, attends each annual general meeting, and is available to answer questions from shareholders. Shareholders can also provide written questions before the AGM. A list of these questions will be distributed at the meeting and the Chairman will allow reasonable opportunity for the auditor to respond to the questions.

Investor information is also released through the Company's website and directly to email subscribers. The Company has made available the relevant contact details (via the website) for security holders to make enquires and have also included contact details of the share registry in the Corporate Directory section.

6.3: Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's general and annual general meetings, including those that are not able to attend the meetings. The Company's meetings are accompanied by an investor presentation which contributes to greater shareholder engagement and has increased the number of attendees at meetings.

6.4: Companies should give security holders the option to receive communications from, and send communications to the entity and its security register electronically.

Security holders have the option to receive communication from the Company and the share register electronically. The Company provides the option on the website for all investors or interested to subscribe to e-mail alerts from the Company. The Company has provided the opportunity (via the website) for security holders to make electronic enquires to the company.

The electronic contact details for the share registry are included in the Corporate section of the website.

7. Recognise and manage risk

7.1 Companies should have a committee or committees to oversee risk each of which:

- **has at least three members a majority of whom are independent directors;**
- **is chaired by an independent director;**
- **disclose the charter of the committee;**
- **disclose the members of the committee; and**
- **disclose the number of times the committee met throughout the period and the individual attendances.**

If the Company does not have a risk committee or committees disclose the fact and the process it employs to oversee the entity's risk management framework.

CORPORATE GOVERNANCE STATEMENT

The Company has a formal charter for its Audit and Risk Committee, whose members at the reporting date include Messrs Jenks and Catlow and Ms Ferreira. At the reporting date, the Chairperson of the Audit Committee was Ms Ferreira, who is not the Chairperson of the Board. The Company has determined that Mr Ferreira is the most suitable director to chair the Audit and Risk committee due to her competency in accounting, leadership and corporate governance.

The Board oversees the Company's risk profile and identifies the material business risks. The financial position of the Company and matters of risk are considered by the Board on a regular basis. ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor, and manage risk are in place, being maintained and adhered to.

In accordance with the charter the Audit and Risk Committee's role is to:

(a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
(b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company has adopted the risk management procedure disclosed in the Company's Corporate Governance Plan as a part of the Company's risk management framework.

The Chief Financial Officer and Chief Executive Officer have stated in writing to the Board that:

- The statement given in accordance with best practice recommendation 4.2 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

7.2: The board or a committee of the board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose in relation to each reporting period whether such a review has taken place.

The Company has a risk management framework in place that is based on the principles of AS/NZS 31000:2009 and the ASX Corporate governance principles and recommendations. During the period under review Management and Board of the Company undertook a comprehensive review of the risk management framework and made amendments as required.

7.3: Companies should disclose if it has an internal audit function, how the function is structured and what role it performs or if it does not have an internal audit function the fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company is not of a size at the moment that requires a separate internal audit function. The Company has a risk management framework and an Audit and Risk Committee charter in place that is reviewed by the Board on an annual basis and amended as required. The Company also has adequate policies in relation to risk management, compliance and internal control systems. The Company's has a risk register in place which is reviewed regularly and ensures that strategic, operational, legal, reputational and financial risks are identified, assessed effectively, efficiently managed and monitored to enable achievement of the Company's business objectives.

7.4 A company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does how it manages or intends to manage those risks.

The Company is an ASX listed exploration company focussed on graphite. Due to the nature of its business the company is exposed to economic, environmental and social sustainability risks. The Company has a risk management framework in place and a risk register and polices to ensure compliance and sufficient internal control systems. The risk register is reviewed and assessed on a regular basis and embedded in the culture and practices of the company. Risk treatment plans are in

place to identify how risk identified will be mitigated. For more information on the material risks of the Company refer to the Operating and Financial Review contained within the Directors' Report.

8. REMUNERATE FAIRLY AND RESPONSIBLY

8.1: The Board should establish a remuneration committee which:

- **has at least three members a majority of whom are independent directors;**
- **is chaired by an independent director;**
- **disclose the charter of the committee;**
- **disclose the members of the committee; and**
- **disclose the number of times the committee met throughout the period and the individual attendances**

If the Company does not have a remuneration committee disclose the fact and the process it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company has a formal charter for the Remuneration Committee to assist the Committee to discharge its duties, which are included as a part of the Company's Corporate Governance Plan and is available on the Company's website.

In accordance with the charter, the primary purpose of the Remuneration Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

(i) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
(ii) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
(iii) recommending to the Board the remuneration of executive Directors;
(iv) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
(v) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
(vi) reviewing and approving the remuneration of Director reports to the Managing Director, and as appropriate other senior executives; and
(vii) reviewing and approving any equity based plans and other incentive schemes.

The members of the Remuneration and Nomination Committee during the period to July 2015 included Messrs Jenks and Gillman, who are not independent directors. The Remuneration and Nomination Committee meet once during the year. Refer to section 11 of the directors' report for details of the directors and committee meetings and attendees.

Mr Catlow was appointed Chairman of the Committee during July 2015 (previously Mr Jenks) and is considered an independent director. During August 2015, Ms Ferreira was appointed as a member of the Committee, following which Mr Gillman stepped down.

From the time of Ms Ferreira's appointment to the Remuneration and Nomination Committee in August 2015, the Company was in compliance with principle 8.1. However, prior to that time, the Company did not comply with principle 8.1 as the majority of the Board of Directors were not independent and there were not sufficient independent directors to constitute a majority on the Remuneration and Nomination Committee.

8.2: The company should separately disclose its policies and practices regarding the remuneration of non –executive directors and the remuneration of executive directors and other senior executives:

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice. The Remuneration and Nomination Committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency; and
- Capital management.

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Refer to the audited remuneration report contained within the Directors' Report for more information regarding the remuneration practices and policies of non-executive directors, executive directors and other senior executives.

8.3: Companies which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.

The Company has a policy to prohibit its directors and employees, who participate in an equity-based incentive plan of the Company, from entering into transactions which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities. Directors and employees are encouraged to take sufficient professional advice in relation to their individual financial position.

DIRECTORS' REPORT

The Directors present their report on the Company and its controlled entities (the "Group") for the financial year ended 31 December 2015.

The Board of Directors

The following persons were Directors of Triton Minerals Limited (the "Company") and were in office during the reporting period unless otherwise stated:

Director	Role	Appointment	Resignation
Mr Christopher Catlow	Non-Executive Chairman	5 June 2015	22 July 2016
Mr Alfred Gillman	Technical Director	27 September 2012	22 July 2016
Ms Paula Ferreira	Non-Executive Director	24 August 2015	-
Mr Bradley Boyle	Managing Director & Chief Executive Officer	27 April 2012	1 December 2015
Mr Alan Jenks	Non-Executive Chairman Non-Executive Director	28 January 2014 5 June 2015	5 June 2015 10 February 2016

Further information on the Directors is contained in section 10 of this report.

Company Secretary

Ms Paige Exley (Company Secretary, appointed 11 July 2014)

Ms Exley was Triton's Chief Financial Officer and Joint Company Secretary during 2015 and is the sole Company Secretary following Mr Brady's resignation on 2 October 2015. Ms Exley has over 15 years of experience in financial and management accounting roles with ASX listed companies and more recently has held company secretarial roles for ASX listed and unlisted companies.

Ms Exley holds a Bachelor of Commerce, with a double major in Accounting and Business Law from Curtin University and is a Chartered Secretary with a Post-Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

Mr Michael Brady (Joint Company Secretary, appointed 5 May 2014, resigned 2 October 2015)

Mr Brady was Triton's General Counsel and Joint Company Secretary. Mr Brady is a commercial lawyer admitted to the Supreme Court of Western Australia and the High Court of Australia. Mr Brady previously worked as a senior lawyer at an Australian top tier international law firm where he principally practised commercial and corporate law.

Mr Brady holds undergraduate degrees in Law and Psychology (Murdoch), a postgraduate qualification in Applied Finance (Kaplan) and is a graduate of the Australian Institute of Company Directors (AICD). Additionally, Michael is undertaking a Masters of Laws (Corporate, Energy & Resources) at the University of Melbourne.

2. Principal Activity

The principal activity of the Group during the financial period was to acquire, explore and develop areas that are highly prospective for graphite, vanadium, gold, and other precious and base metals and minerals in Australia and Mozambique, Africa.

DIRECTORS' REPORT

3. Operating and Financial Review

(i) Operations

During 2015, Triton was a mineral exploration company operating in Australia and Mozambique to acquire, explore and develop areas that are highly prospective for graphite, vanadium, gold, and other precious and base metals and minerals.

The Group creates value for shareholders, through exploration activities which develop and quantify mineral assets. Once an asset has been developed and quantified within the framework of the JORC guidelines the Group may elect to move to production, to extract and refine ore which is then sold as a primary product.

During the reporting period the Group was exploring and developing two types of projects:

- Graphite projects in Mozambique
- Gold project in Fraser Range North in the Albany Fraser province of Western Australia, which was relinquished during September 2015.

Please refer to the Review of Operations for more information on the status of the projects.

(ii) Financial Performance & Financial Position

The financial results of the Group for the year ended 31 December 2015 are:

	31 December 2015 $	31 December 2014 $	% Change
Cash and cash equivalents	343,938	1,497,435	(77)%
Net assets	30,192,076	24,083,827	25%
Revenue & financial income	52,431	68,577	(24)%
Net loss after tax	(12,748,684)	(4,997,855)	155%
Loss per share	(3.59)	(1.86)	93%

a) Financial Performance

The loss of the consolidated Group for the financial year after tax amounted to $12,748,684 (2014: $4,997,855).

The Group creates value for shareholders through its exploration expenditure and currently has no revenue generating operations. Revenue and financial income are generated from interest income from funds held on deposit. As the average funds held on deposit have decreased during the year, accordingly the financial income has decreased 24% on the prior year.

During the year, the operations relating to the Mozambique graphite project expanded as the Group undertook a rapid exploration, resource delineation and feasibility programs. The personnel requirements within the Group overall increased, which resulted in an increase of directors and employee benefits expense of 96% to $2,159,369 (2014: $1,103,284) and personnel changes led to a decrease in the director and employee share based remuneration;, the share based payments decreased 50% to $1,336,752 (2014: $2,694,762).

The Group also had an increase in travel expenses of 58% to $497,202 (2014: $314,619) arising from the graphite exploration program and the capital raising, promotion and marketing activities undertaken by the Chief Executive Officer and Technical Director.

During the year, the Company paid US$5,200,000 (AU$6,732,662) to the minority shareholders of Grafex Lda, to acquire an additional 10% equity interest to increase the Group's interest in the Mozambique graphite projects to a 90% interest. Triton did not remit the remaining tranche of US$1,000,000 in consideration to secure the 90% interest by the payment deadline, 24 February 2016. In accordance with the terms and conditions of the share purchase agreements, Triton's equity interest remains at 80% and the Company forfeits the consideration paid to earn the 90% equity interest. At the reporting date, 31 December 2015 the amount of $6,732,662 was expensed.

The table above shows an increase in the net loss after tax of 155% which is largely due to the forfeited consideration, excluding that expensed amount, general expenses only increased 20% on the previous year.

b) Going Concern

The Group's main activity during the year was the investment of cash in the Group's exploration assets in the amount of $10,406,960 (per cash flow) (2014: $11,392,318), in particular the Mozambique graphite projects. The carrying value of the exploration assets and the Mozambique joint venture increased 71% to $39,451,946 (2014: $23,054,859).

The 31 December 2015 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 31 December 2015, the Group recorded a loss after tax of $12,748,684, (2014: $4,997,855) and had a net working capital deficit of $9,441,592 (31 December 2014: surplus $901,517).

During January 2016, the Company completed a pro rata non-renounceable entitlement offer of one (1) fully paid ordinary share for every three (3) fully paid ordinary shares (Shares) held by eligible shareholders on 30 December 2015 at an issue price of $0.09 per share to raise up to $11,296,483 (before costs), with one (1) free attaching option for every two (2) Shares subscribed for under the offer (Options) (Entitlement Offer). The Entitlement Offer was partially underwritten up to $4 million by GMP Securities Australia Pty Limited.

Triton raised $4 million via the Entitlement Offer through the issue of 44,444,444 Shares and 22,222,306 Options.

On 2 March 2016, the Directors resolved to place the Company into voluntary administration and appointed Messrs Martin Jones, Andrew Smith and Dermott McVeigh of Ferrier Hodgson as joint and several administrators of the Company (together, the "Administrators") pursuant to section 436A of the Corporations Act.

On 25 July 2016, the DOCA was executed by the Company and Administrator, whereupon the Company entered deed administration and the Administrators became the Deed Administrators of the Company. The DOCA will complete and be fully effectuated upon each of the following being satisfied:

- a shareholders' meeting approves the issue to Minjar Gold Pty Ltd or nominees of 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 ("the Placement") together with 25,000,000 free options to acquire shares in the Company;
- the Placement occurs in accordance with the Subscription Agreement (described below);
- the Creditors' Trust Deed is executed;
- the Company transfers $5 million together with any chose in action or claim that the Company may have against third parties ("Company Causes of Action") and the benefit of such Company Causes of Action to the trustees of the Creditors Trust; and
- all creditors' claims against the Company (except any excluded claims) are extinguished and all creditors whose claims have been so extinguished are taken to have a claim against the Creditors Trust, equal in amount to their released claim.

Immediately following the execution of the DOCA, the Underwriting Agreement (proposed as part of the DOCA) was executed by the Company and Somers & Partners on Monday, 25 July 2016.

Pursuant to the terms and conditions of the Underwriting Agreement, Somers & Partners will underwrite a non-renounceable pro-rata entitlement issue of not less than 131,560,567 fully paid ordinary shares at $0.06 per share on the basis of 1 Entitlement Issue Share for every 4 shares to raise not less than $7,893,634.

Immediately following the execution of the Underwriting Agreement (proposed as part of the DOCA), the Subscription Agreement was executed by the Company and Minjar Gold Pty Ltd on Monday, 25 July 2016.

Pursuant to the terms and conditions of the Subscription Agreement, including shareholder approval, Minjar Gold Pty Ltd or nominees will subscribe for 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 and 25,000,000 free options, exercisable at $0.10, expiring 30 June 2018.

Due to the Group being an exploration and development entity, ongoing exploration and development activities are reliant on future capital raisings. Based on these facts above, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

(iii) Business Strategies and Prospects for future financial years

The Group actively evaluates the prospects of each project as results from each program become available, these results are available via the ASX platform for shareholders' information. The Group then assesses the continued exploration expenditure, further asset development. The Group will continue the evaluation of its mineral projects in the future and undertake generative work to identify and acquire new projects.

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's shares.

a) Funding risk

The Company's ability to operate its business and effectively implement its business plan within the timeframe that it is aiming to achieve will depend in part on its ability to raise funds for exploration, feasibility studies, development and operations and to service, repay and refinance debts as they fall due. Existing funds will not be sufficient for expenditure required for certain aspects of the Company's business plan, including the potential purchase of all outstanding minority interests in Grafex Limitada, acquisitions, new or existing projects, further exploration and additional feasibility studies. The Company may need to procure additional funding in the short to medium term, and to the extent that this involves equity funding, it may result in dilution of shareholders' interests. Debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its activities and programs as the case may be. There is however no guarantee that the Group will be able to secure any additional funding or be able to secure funding on terms favourable to the Group.

b) Exploration and Operating Risks

Mining exploration and production is inherently risky, uncertain and speculative in nature. The operations of the Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, sovereign risk difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

c) Environmental Risks

The operations and proposed activities of the Group are subject to the laws and regulations of Australia and Mozambique concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

d) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

e) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the

Group's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;
(ii) introduction of tax reform or other new legislation;
(iii) interest rates and inflation rates;
(iv) changes in investor sentiment toward particular market sectors;
(v) the demand for, and supply of, capital; and
(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Group or any return on an investment in the Company.

f) Graphite and vanadium price risk

The demand for, and the price of, commodities are highly dependent on a variety of factors, including international supply and demand, the price and availability of substitutes, technological advances, actions taken by governments and global economic and political developments. Given the Company's main activities, which primarily involve exploration for and potentially the production of graphite and vanadium, the Company's operational and financial performance, as well as the economic viability of its projects, is heavily reliant on the prevailing global price of these minerals, among other things. Volatility in commodity markets may therefore materially affect the profitability and financial performance of the Company and the price of its Shares.

g) Competition

Competition from Australian and international graphite and vanadium producers, developers and explorers may affect the potential future cash flow and earnings which the Company may realise from its operations. For example, the introduction of new mining and processing facilities and any increase in competition and supply in the global graphite and vanadium markets could lower the price of these commodities. The Company may also encounter competition from other mining and exploration companies for the acquisition of new projects required to sustain or increase its potential future production levels.

h) Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Group or by investors in the Group. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Group and the value of the Group's shares. Mining exploration and production is inherently risky, uncertain and speculative in nature. Potential investors should consider that the investment in the Group is speculative and should consult their professional advisers before deciding whether to invest.

4. Significant Changes in the State of Affairs

Long State Investments – Equity Placement Facility
On 27 January 2015, the Company announced that it had entered into a binding agreement with Long State Investments Limited ("LSI"), to provide the Company with an Equity Placement Facility for up to $20 million, over two years on the terms and conditions summarised in the ASX announcement.

On 30 January 2015, the Company issued 541,125 fully paid ordinary shares at a deemed issue price of $0.1848 as an implementation fee of $100,000 to LSI for the establishment of the Equity Placement Facility.

On 23 February 2015, the Company issued 4,548,763 unlisted options exercisable at $0.2748, expiring 23 January 2018 to LSI as consideration for entering into the Equity Placement Facility.

Acquisition of Mozambique Graphite project
On 27 January 2015, the Company also announced that following discussions with its joint venture partner Grafex Lda ("Grafex"), new terms had been agreed with the minority shareholders of Grafex to extend, for a further 12 months, the timeline for the second Tranche payment of US$5 million in cash and US$5 million equivalent in Triton shares, for Triton to acquire the remaining 20% equity

interest in Grafex and all of the Mozambique graphite projects known as Balama North, Balama South and Ancuabe ("the Projects").

Under the new terms, Triton paid an extension fee of US$200,000 to the minority shareholders of Grafex for the 12 month extension. During this 12 month extension period Triton has undertaken to pay a series of instalments of cash and shares to the minority shareholders of Grafex in full satisfaction of the second Tranche payment to obtain 100% equity interest in Grafex.

Triton was able to acquire a 90% equity interest in Grafex through the payment of US$3 million in cash and US$3 million equivalent in Triton shares to the minority shareholders of Grafex. Following this, Triton is able to acquire a 100% equity interest in Grafex through the payment of a further US$2 million in cash and US$2 million equivalent in Triton shares. Once an equity interest has been acquired, currently an 80% interest, Triton will maintain the earned equity interest even if it is unable to complete payment of the full second Tranche consideration. Triton earned an 80% interest in Grafex and the joint venture on 25 August 2014.

On 19 February 2015, the Company paid the extension fee of US$200,000 to the minority shareholders of Grafex and issued 7,661,877 fully paid ordinary shares at a deemed issue price of $0.1672 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

On 24 March 2015, the Company paid part consideration of US$250,000 to the minority shareholders of Grafex and issued 1,671,009 fully paid ordinary shares at a deemed issue price of $0.1924 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

On 28 April 2015, the Company paid part consideration of US$250,000 to the minority shareholders of Grafex and issued 826,626 fully paid ordinary shares at a deemed issue price of $0.3863 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

On 25 May 2015, the Company paid part consideration of US$250,000 to the minority shareholders of Grafex and issued 917,692 fully paid ordinary shares at a deemed issue price of $0.3485 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

On 23 June 2015, the Company paid part consideration of US$500,000 to the minority shareholders of Grafex and issued 5,032,530 fully paid ordinary shares at a deemed issue price of $0.32 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

On 22 July 2015, the Company paid part consideration of US$250,000 to the minority shareholders of Grafex as part consideration towards earning a 90% equity interest in the Mozambique graphite projects known as Balama North, Balama South and Ancuabe.

On 17 August 2015, the Company paid part consideration of US$500,000 to the minority shareholders of Grafex as part consideration towards earning a 90% equity interest in the Mozambique graphite projects known as Balama North, Balama South and Ancuabe.

During the year ended 31 December 2015, Triton made payments of US$2.2 million and issued 16,109,734 shares to the minority shareholders of Grafex for consideration totalling US$5,200,000 (AU$6,732,662) to acquire an additional 10% equity interest in Grafex, to increase the Group's interest in the Mozambique graphite projects to a 90% interest. Triton did not remit the remaining tranche of US$1,000,000 in consideration to secure the 90% interest by the payment deadline, 24 February 2016. In accordance with the terms and conditions of the share purchase agreements Triton's equity interest remains at 80% and the Company forfeits the consideration paid to earn the 90% equity interest.

Joint Venture - AMG Mining AG

On 31 March 2015, the Company announced that it had signed a binding agreement to form a strategic alliance with AMG Mining AG ("AMG"), through the AMG subsidiary of GK Ancuabe Graphite Mine, SA ("GK"). The strategic alliance is for an initial exclusive period of two years during which the Parties will collaborate on the exploration, identification and development of graphite occurrences in the Ancuabe district, within the Province of Cabo Delgado in Mozambique. GK's Mozambique assets include permitted mining concession 4C that encompasses a functional graphite producing plant (on

care and maintenance) and associated mining and production infrastructure in the Ancuabe district. Triton's exploration tenure completely surrounds this mining concession.

Off-take Agreement - Yichang Xincheng Graphite Co., Ltd
On 1 April 2015, the Company announced the signing of a 20 year binding off-take agreement to supply 100,000 tonnes of graphitic concentrate per year at a minimum sale price of US$1,000 per tonne, with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd ("YXGC") for Triton's Mozambique Graphite ("TMG") ("Agreement"). Triton has exclusive rights to supply graphite to YXGC from Mozambique, Madagascar, Malawi and Tanzania.

The binding off-take agreement is conditional upon the following conditions being met within 36 month of signing the Agreement:

- Triton receiving all relevant government approvals;
- Triton commissioning a processing plant or plants;
- Triton achieving commercial production of Material to the satisfaction of Triton; and
- Triton providing YXGC notice of its intention to commence deliveries of Material.

Project Funding - Shenzhen Qianhai Zhongjin Group Co., Ltd
On 27 April 2015, the Company announced the formal signing of a letter of intent (LOI) with Chinese equity firm and resources trading house, Shenzhen Qianhai Zhongjin Group Co., Ltd ("SQZG"). Pursuant to the LOI, SQZG have agreed to provide up to US$100 million direct equity investment in Triton and up to a US$100 million debt facility funding for a total of up to US$200 million to build and develop a graphite concentrate operation with initial capacity to produce up to 200,000 tonnes of graphite concentrate per year at Nicanda Hill.

The debt facility will be for a maximum term of five years from the date of funding and during the term of the loan and until the debt full is paid in full, Triton agrees to provide SQZG with up to 200,000 tonnes of graphite concentrate at a fixed price US$875 per tonne FOB of material for any shipment, subject to purity of the graphite concentrate of not less than 90% and moisture content of up to 1%.

Both the project funding agreement and the off-take agreement are conditional on the completion of a formal due diligence by SQZG, to be completed no later than 30 June 2015 and the execution of final binding agreements.

On 2 June 2015, the Company announced that SQZG had sought an extension to the LOI equity and debt funding due diligence deadline of 30 June 2015 which was announced by the Company on 27 April 2015, for up to six months to incorporate a formal review of the Ancuabe graphite project as well as the Nicanda Hill project.

Joint Venture Agreements - Yichang Xincheng Graphite Co., Ltd
On 14 May 2015, the Company announced the entry into two binding joint venture agreements with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd ("YXGC") to develop and produce graphite enhanced products in Mozambique and China. The joint venture companies will source Triton Mozambique Graphite concentrate exclusively from Triton to develop enhanced graphite products.

Triton will hold a 70% interest in the Mozambique joint venture (Mozambique JV) of which Triton will be the operator. The Mozambique JV was conditional upon on a number of conditions either being waived or satisfied by the relevant party, either Party may terminate the Joint Venture.

Triton will hold a 49% interest in the China joint venture (China JV) of which YXGC will be the operator. The China JV is conditional upon on the following conditions being waived or satisfied by the relevant party from the date which is thirty six (36) months from the Commencement Date, 13 May 2015, whereby either party may terminate the Joint Venture:

- Triton commissioning to its sole satisfaction a processing plant or plants of a size and scale capable of satisfying the graphite concentrate demand to produce Enhanced Product;
- incorporation of an entity/company of which the shareholders are Triton and YXGC each holding shares commensurate to their Participating Interest within 6 months of the Commencement Date (JV Company);

- receiving all relevant Mozambique Government approvals; all relevant Chinese Government approvals or any other relevant Government approvals (including Australia);
- agreeing on an appropriate site for the Graphite Enhance Products Plant in China Hubei province of Xingshan;
- entry into a Shareholders Agreement between Triton & YXGC in relation to the JV Company which incorporates the terms and intent of the Joint Venture;
- agreeing on the Graphite Enhance Products Plant design, construction cost, timetable and size;
- agreeing to items/decisions of the Joint Venture that require unanimous approval of the Parties;
- agreeing to an initial Joint Venture budget and work program;
- agreeing on the initial cost and initial capital contributions ("Initial Contribution");
- undertaking the following items within six months from the Commencement Date;
- opening a Joint Venture bank account, with both Parties as co-signatories to the account;
- each Party depositing US$1 million into the Joint Venture bank account; and
- establishing a joint venture management team.

At the date of the appointment of the Administrators, neither party had contributed the deposit of US$1 million into the joint venture account and complied with the obligation pursuant to the China JV. On 21 March 2016, YXGC wrote to the Company terminating both the offtake and joint venture agreements.

On 28 September 2015, the joint venture entity, Hubei Xincheng Triton Graphite Technologies Co Ltd, was incorporated in the Peoples Republic of China to operate the China JV.

On 30 September 2015, Triton Asia Pte Ltd was incorporated in Hong Kong to hold the Group's interest in Hubei Xincheng Triton Graphite Technologies Co Ltd.

Mozambique Capital Gains Tax
On 1 January 2015, a Mozambique capital gains tax regime applicable to the mining sector came into force. According to this regime, the tax in relation to a capital gain on the transfer of mining rights located in the Mozambique territory by non-residents is payable by the seller. In relation to this payment, the seller, the buyer or the entity holding the mining rights have joint and several liability for the payment of the tax in Mozambique. For more information refer to Note 19.

Other
During the period, the Company raised approximately $13.7 million through the issue of approximately 47.6 million fully paid ordinary shares and 3.5 million unlisted options.

On 26 February 2015, the Company announced the appointment of key consultants engaged to complete a Definitive Feasibility Study at Nicanda Hill.

On 28 April 2015, the Company issued 1,000,000 fully paid ordinary shares at a deemed issue price of $0.355 per share to a consultant, Oriental Link Holdings, for the provision of consulting services provided to secure a binding off-take agreement with Yichang Xincheng Graphite Co Ltd ("YXGC").

On 28 May 2015, the Company held its Annual General Meeting, where amongst other matters shareholders approved the re-election of Mr Alan Jenks as a director of the Company, the ratification of prior issues of shares and options as well as an additional 10% placement facility.

On 5 June 2015, the Company appointed Mr Christopher Catlow as Non-Executive Chairman and Mr Alan Jenks resigned as Chairman of the Company and became a Non-Executive Director.

On 18 June 2015, the Company issued 1,000,000 fully paid ordinary shares at a deemed issue price of $0.315 per share to a consultant, Oriental Link Holdings, for the provision of consulting services provided to secure a binding joint venture agreement with YXGC to produce enhanced graphite products

On 24 August 2015, Ms Paula Ferreira was appointed Non-Executive Director of the Company.

DIRECTORS' REPORT

On 24 August 2015, the Company announced that its registered office and principal place of business had changed to Ground Floor, Unit 1, 256 Stirling Highway, Claremont WA 6010.

On 2 October 2015, Mr Michael Brady, ceased his role as Joint Company Secretary.

On 12 November 2015, the company issued 7.5 million performance rights to Directors as approved by shareholders at the general meeting held 22 October 2015 pursuant to the Company's Employee Performance Rights Plan. The Director Performance Rights upon vesting, entitle the holder to acquire one fully paid ordinary share for nil consideration. The performance rights will expire, if unvested, on 20 August 2018, and are subject to the following vesting conditions:

- minimum vesting term of 22 months from grant date, being 20 August 2017 (Minimum Vesting Period);
- Tranche A – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.40 per share.
- Tranche B- the rights will vest upon the share process reaching a 5-day VWAP of at least $0.60 per share.
- Tranche C – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.75 per share.
- Tranche D – the rights will vest upon the share process reaching a 5-day VWAP of at least $1.00 per share

On 12 November 2015, 2 million performance rights lapsed in relation to Mr Michael Brady ceasing his role with the Company.

On 1 December 2015, Mr Bradley Boyle ceased his role as Managing Director and Chief Executive Officer.

On 4 December 2015, Mr Garth Higgo was appointed as Chief Executive Officer. The terms of his appointment included 3.5 million performance rights. The performance rights, upon vesting, entitle the holder to acquire one fully paid ordinary share for nil consideration. The performance rights will expire, if unvested, on 20 August 2017, and are subject to the following vesting conditions;

- Continuous employment or engagement by the company up to the satisfaction of the vesting conditions;
- Tranche A – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.20 per share – 1,000,000 rights will vest
- Tranche B- the rights will vest upon the share process reaching a 5-day VWAP of at least $0.30 per share- 1,000,000 rights will vest
- Tranche C – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.40 per share- 1,000,000 rights will vest
- Tranche D – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.50 per share- 500,000 rights will vest

The issue of these reporting rights is subject to shareholder approval at the AGM, at the date of this report these rights have not yet been issued.

6. Dividends

No dividends were declared or paid during the year and the Directors do not recommend the payment of a dividend.

7. Indemnities

The Company, for a premium of $25,112 has taken out an insurance policy to cover its Directors and officers to indemnify them against any claims and negligence. The Company has agreed to indemnify the current Directors and officers of its controlled entities for all liabilities to another person, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company shall meet the full amount of any such liabilities, including costs and expenses. No policy has been entered into to indemnify the auditors.

8. Significant Events After the Balance Sheet Date

During January 2016, the Company completed a pro rata non-renounceable entitlement offer of one (1) fully paid ordinary share for every three (3) fully paid ordinary shares (Shares) held by eligible shareholders on 30 December 2015 at an issue price of $0.09 per share to raise up to $11,296,483 (before costs), with one (1) free attaching option for every two (2) Shares subscribed for under the offer (Options) (Entitlement Offer). The Entitlement Offer was partially underwritten up to $4 million by GMP Securities Australia Pty Limited.

Triton raised $4 million via the Entitlement Offer through the issue of 44,444,444 Shares and 22,222,306 Options.

On 28 January 2016 Mr Rodney Baxter was appointed Non-Executive Director and Mr Garth Higgo was appointed Managing Director and Chief Executive Officer.

On 1 February 2016 Mr Patrick Ellis was appointed Chief Operating Officer and Mr Richard Jarvis was appointed Chief Financial Officer.

On 2 February 2016 Mr Garth Higgo's Executive Service agreement was finalised. A further 2 million performance rights were granted in addition to the 3.5 million on his appointment on 4 December 2015. The total 5.5 million performance rights, which vest on 20 August 2017, dependent on the following vesting conditions being met or waived by the Company on or prior to vesting date;

- Continuous employment or engagement by the company up to the satisfaction of the vesting conditions;
- Tranche A – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.20 per share – 1,500,000 rights will vest
- Tranche B- the rights will vest upon the share process reaching a 5-day VWAP of at least $0.30 per share- 1,500,000 rights will vest
- Tranche C – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.40 per share- 1,500,000 rights will vest
- Tranche D – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.50 per share- 1,500,000 rights will vest

The issue of these reporting rights is subject to shareholder approval at the AGM, at the date of this report these rights have not yet been issued.

On 10 February 2016 Mr Rodney Baxter and Mr Alan Jenks resigned as Non-Executive Directors of the Company.

On 2 March 2016, the Directors resolved to place the Company into voluntary administration and appointed Messrs Martin Jones, Andrew Smith and Dermott McVeigh of Ferrier Hodgson as joint and several administrators of the Company (together, the "Administrators") pursuant to section 436A of the Corporations Act.

On 3 March 2016, the Company's securities were suspended from trading on the official list of ASX. Following appointment of the Administrators, the powers of the Company's officers (including Directors) were suspended and the Administrators assumed control of the Company's business, property and affairs.

On 30 April 2016, the Chief Financial Officer, Mr Richard Jarvis and Technical Director, Mr Alfred Gillman ceased their executive roles with the Company.

On 17 May 2016, the Company announced maiden inferred mineral resources at Nicanda West and Ancuabe project sites.

On 3 June 2016, Mr Garth Higgo's Executive Service agreement for the role of Chief Executive Officer was terminated with one month of notice.

DIRECTORS' REPORT

On 1 July 2016, the Administrators provided their report to creditors pursuant to section 439A(4)(a) of the Corporations Act 2001. On 5 July 2016, the Administrators provided a supplementary report to creditors. The key matters of the reports were:

- The Administrators' recommendation that the Joint Deed of Company Arrangement (DOCA) Proposal be adopted by creditors. The proposal comprises:
    - Phase 1: Subscription by Minjar Gold Pty Ltd (or its nominee) to 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 (Placement) following shareholder approval, together with 25,000,000 free options to acquire shares in the Company (each having an exercise price of $0.10 each and an expiry date of 30 June 2018, with such options to be issued under the entitlement issue prospectus).
    - Phase 2: As soon as practicable after completion of the Placement and termination of the DOCA, the Company will seek to raise not less than A$7,893,634 via an underwritten non-renounceable pro-rata entitlements issue of not less than 131,560,567 fully paid ordinary shares (Entitlement Issue Shares) in the capital of the Company at $0.06 per share (and on the basis of 1 Entitlement Issue Shares for every 4 fully paid ordinary shares held in the capital of the Company as at the relevant record date) (Entitlement Issue). Somers & Partners Pty Ltd shall be appointed as underwriter of this issue.
    - Deposit of $1 million which has been deposited into a Ferrier Hodgson Trust account by Somers as an interest free loan to the Company, subject to the terms and conditions of the DOCA.
    - Subject to conditions precedent, the formation of a Creditors Trust and payment of $5 million (or any shortfall amount) to repay creditors 100 cents in the dollar plus statutory interest of 8%, excluding any claim or liability arising from or in connection with the Mozambique Government.
- The Administrators, through their investigations did not identify any potential voidable transaction by directors that may have been committed under the provisions of the Act.
- Yichang Xincheng Graphite Co. Ltd (YXGC) - On 21 March 2016, YXGC wrote to the Company terminating both the agreements and making a claim for US$1 million. The Administrators have not accepted their claim for damages in the amount of US$1 million as each agreement excludes liability for "consequential, incidental…or indirect damages". YXGC have been advised of the rejection of any claim against the Company. The Administrators consider that YXGC has no valid claim against the Company.

On 8 July 2016, the Company announced that at the Second Meeting of Creditors held on 8 July 2016, the creditors resolved unanimously to execute a Deed of Company Arrangement (DOCA) proposed by Somers & Partners Pty Ltd and Minjar Gold Pty Ltd in the form set out in the Administrators' supplementary report dated 5 July 2016.

On 22 July 2016, the Administrators removed Christopher James Catlow and Alfred John Gillman as directors of the Company; and appointed Xingmin (Max) Ji and Guanghui (Michael) Ji representing Minjar Gold Pty Ltd and Patrick Nicolas Burke representing Somers & Partners as directors of the Company.

On 25 July 2016, the DOCA was executed by the Company and Administrators, whereupon the Company entered deed administration and the Administrators became the Deed Administrators of the Company. The DOCA will complete and be fully effectuated upon each of the following being satisfied:

- a shareholders' meeting approves the issue to Minjar Gold Pty Ltd or nominees of 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 ("the Placement") together with 25,000,000 free options to acquire shares in the Company;
- the Placement occurs in accordance with the Subscription Agreement (described below);
- the Creditors' Trust Deed is executed;
- the Company transfers $5 million together with any chose in action or claim that the Company may have against third parties ("Company Causes of Action") and the benefit of such Company Causes of Action to the trustees of the Creditors Trust; and
- all creditors' claims against the Company (except any excluded claims) are extinguished and all creditors whose claims have been so extinguished are taken to have a claim against the Creditors Trust, equal in amount to their released claim.

Immediately following the execution of the DOCA, the Underwriting Agreement (proposed as part of the DOCA) was executed by the Company and Somers & Partners on Monday, 25 July 2016.

Pursuant to the terms and conditions of the Underwriting Agreement, Somers & Partners will underwrite a non-renounceable pro-rata entitlement issue of not less than 131,560,567 fully paid ordinary shares at $0.06 per share on the basis of 1 Entitlement Issue Share for every 4 shares to raise not less than $7,893,634.

Immediately following the execution of the Underwriting Agreement (proposed as part of the DOCA), the Subscription Agreement was executed by the Company and Minjar Gold Pty Ltd on Monday, 25 July 2016.

Pursuant to the terms and conditions of the Subscription Agreement, including shareholder approval, Minjar Gold Pty Ltd or nominees will subscribe for 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 and 25,000,000 free options, exercisable at $0.10, expiring 30 June 2018.

On 27 July 2016, the Deed Administrators and Mr Garth Higgo entered into a short term agreement for a term of 3 months, commencing 3 July 2016, for remuneration of $400,000 per annum plus superannuation. Whereby either party may terminate the agreement by one week's notice in writing.

Since the end of the financial year, the Directors are not aware of any other matter of circumstance not otherwise dealt with in this report or financial statements that has significantly or may significantly affect the operations of the consolidated Group, the results of those operations, or the state of affairs of the Group, in future financial years.

9. Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings.

The Group was not a party to any such proceedings during the year.

10. Information on Directors

Mr Christopher Catlow Non-Executive Chairman from 5 June 2015 to 22 July 2016

Experience

Mr Catlow is a highly qualified professional with over 25 years of international resources industry experience, having worked on the development and operations of oil and gas, hard rock and sand mining projects.

Mr Catlow played a central role in the formation of Iluka Resources Limited and was a senior executive and CFO of the ASX-listed iron ore mining company, Fortescue Metals Group Ltd (FMG), having joined shortly after its formation in 2003. During his seven years at FMG, initially as its inaugural Chief Financial Officer and then as its Investment and Business Development Director, the company financed and brought into production its major iron ore mining, processing and port facility in Western Australia's Pilbara region. The development established FMG as Australia's third largest iron ore producer behind Rio Tinto and BHP Billiton.

Christopher Catlow has a BSc in Engineering Science from the University of Durham in the UK and is a Fellow of the Institute of Chartered Accountants in Australia.

Interest in securities at 31 December 2015	142,857 ordinary shares 3,500,000 performance rights expiring 20 August 2018, conversion subject to vesting conditions.
Special responsibilities	Member of Audit and Governance Committee, Nomination and Remuneration Committees.
Directorships held in other listed entities	Mr Catlow has held directorships in the following ASX listed entities in the past three years: - Previously Chairman of Admedus Limited (ASX: AHZ) - Previously Non-Executive Director and Deputy Chairman of Sirius Minerals Plc, listed on the London Stock Exchange's AIM market.

Mr Alan Jenks

Non-Executive Director from 5 June 2015 to 10 February 2016
Non-Executive Chairman from 28 January 2014 to 5 June 2015

Experience

Mr Jenks has over 20 years of experience in early stage investments in the junior resources sector, particularly companies with key projects in Australia and Africa.

Mr. Jenks obtained a vast knowledge of South African PGM exploration companies in and around the Bushveld complex. Subsequent to this Mr. Jenks, in 2001, had the foresight to successfully build a platinum group metals recycling company, Catalytic Converters Recycling Services Ltd ("CCRS"). Mr. Jenks is the Managing Director of CCRS, which is a company that specialises in the extraction and recovery of precious metals from spent catalytic converters.

Interest in securities at 31 December 2015	36,390,072 ordinary shares 1,877,500 unlisted options, exercisable at $0.10, expiry 31 December 2016 3,500,000 performance rights expiring 20 August 2018, conversion subject to vesting conditions.
Special responsibilities	Member of Audit and Governance Committee, Nomination and Remuneration Committees.
Directorships held in other listed entities	Mr Jenks has held no directorships of ASX listed entities in the past three years.

DIRECTORS' REPORT

Mr Bradley Boyle	Managing Director and Chief Executive Officer from 27 April 2012 to 1 December 2015
Qualifications	Bachelor of Laws (Murdoch University), Graduate Diploma in Applied Corporate Governance (Chartered Secretaries Australia), and Graduate Diploma in Business Administration (Murdoch University).
Experience	Bradley Boyle has extensive experience working in the resource and energy sectors. Bradley is an experienced Managing Director of private and ASX listed oil and gas and diversified mineral explorer companies. In addition, Bradley has been legal counsel and company secretary for many listed and unlisted mining and exploration companies. Mr Boyle is a commercial lawyer admitted to the Supreme Court of Western Australia and the High Court of Australia. Previously, Bradley acquired a diverse range of corporate and private practice experience acting for mining, commercial and government clients across a broad range of sectors.
Interest in securities at 1 December 2015	5,413,038 ordinary shares; 3,500,000 performance rights expiring 20 August 2018, conversion subject to vesting conditions.
Special responsibilities	Managing the daily operations of the Group.
Directorships held in other listed entities	Previously a director of Sprint Energy Ltd, Mr Boyle has held no other directorships of ASX listed entities in the past three years.
Mr Alfred Gillman	Non-Executive Director from 27 September 2012 Technical Director from 23 August 2014 to 22 July 2016
Qualifications	Bachelor of Science (Honours), Fellow of the Australian Institute of Mining and Metallurgy (CP Geology)
Experience	Mr Gillman has over 30 years of experience as a geologist in gold, base metals and uranium. He has extensive experience in exploration and project development in various parts of the world including Australia and Africa.
Interest in securities at 31 December 2015	4,100,000 ordinary shares 3,500,000 performance rights expiring 20 August 2018, conversion subject to vesting conditions.
Special responsibilities	Member of Audit and Governance Committee, Nomination and Remuneration Committees.
Directorships held in other listed entities	Previously the Technical Director of Peninsula Energy Ltd, Mr Gillman has held no other directorships of ASX listed entities in the past three years.

DIRECTORS' REPORT

Ms Paula Ferreira	Non-Executive Director from 24 August 2015.
Experience	Ms. Ferreira is a Mozambican citizen and a Chartered Accountant certified by Ordem dos Contabilistas e Auditores do Mocambique (OCAM) with over 44 years of experience. Ms. Ferreira is a highly qualified professional having spent over 15 years of her early career in the construction industry as an accountant, Chief Financial Officer and senior executive. She was one of the founders of the major Mozambican construction company CETA, having a strategic role in the merger of the 6 construction companies that formed CETA. Subsequently, Ms. Ferreira spent the next 27 years devoted to financial audit, consulting and advisory roles. Ms. Ferreira was the managing director and a partner of Deloitte & Touche in Mozambique from 2000 to 2013. Trained as an auditor, she was previously with Ernst & Young in Maputo, Mozambique and owned and managed her own audit firm Sisteconta from 1987 to 1992. During these 27 years and whilst dealing with an extensive client portfolio, Ms. Ferreira developed a strong knowledge of the business environment in Mozambique including the public sector and international funding agencies. Formally retired since January 2014, Ms. Ferreira is currently a member of the Fiscal Council of Mozabanco, Fellow of Aspen Global Leadership Network and is engaged in some projects in entrepreneurship development. Ms. Ferreira is co-author of "Accounting System for the Private Sector in Mozambique" a didactic book published in 2014 providing guidance for application of IFRS in Mozambique. She is also co-author of five e-books on the Mozambican Tax System.
Interest in securities at 31 December 2015	2,500,000 performance rights expiring 20 August 2018, conversion subject to vesting conditions.
Special responsibilities	Member of Audit and Governance Committee, Nomination and Remuneration Committees.
Directorships held in other listed entities	Ms Ferreira has held no directorships of ASX listed entities in the past three years.

DIRECTORS' REPORT

11. Directors' Meetings

The number of Directors' meetings and meetings of Committees of Directors held in the year and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Board of Directors' Meetings		Audit and Governance Committee Meetings		Remuneration and Nomination Committee Meetings	
Name	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend
Mr Christopher Catlow (i)	9	9	1	1	-	-
Mr Alan Jenks	13	13	2	2	1	1
Mr Bradley Boyle(ii)	12	12	1	1	1	1
Mr Alfred Gillman	13	13	1	1	1	1
Ms Paula Ferreira(iii)	7	8	1	1	-	-

(i) Mr Catlow appointed 5 June 2015
(ii) Mr Boyle resigned 1 December 2015
(iii) Ms Ferreira appointed 23 August 2015

12. REMUNERATION REPORT (Audited)

This report for the year ended 31 December 2015 outlines the remuneration arrangements for the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited in accordance with section 308(3C) of the Act.

The remuneration report details the remuneration arrangements of key management personnel (KMP) who are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

For the purposes of this report, the term 'Executive' includes the executive directors, senior executives and general managers of the Group, whilst the term 'NED' refers to Non-Executive Directors only.

Details of Key Management Personnel

Details of the KMP of the Group who held office during the year are as follows:

Directors	Position	Appointment	Resignation
Mr Christopher Catlow	Non-Executive Chairman	5 June 2015	22 July 2016
Mr Bradley Boyle	Managing Director & Chief Executive Officer Company Secretary	27 April 2012 1 September 2009	1 December 2015 11 July 2014
Mr Alfred Gillman	Non-Executive Director Technical Director	27 September 2012 23 August 2014	22 July 2016
Mr Alan Jenks	Non-Executive Chairman Non-Executive Director	28 January 2014 5 June 2015	5 June 2015
Ms Paula Ferreira	Non-Executive Director	24 August 2015	-

Other Key Management Personnel	Position	Appointment	Resignation
Mr Garth Higgo (i)	Chief Executive Officer	4 December 2015	-
Mr Michael Brady	General Counsel & Joint Company Secretary	5 May 2014	2 October 2015
Ms Paige Exley	Chief Financial Officer & Joint Company Secretary	1 August 2013 11 July 2014	-

(i) Mr Higgo was subsequently appointed Managing Director on 28 January 2016.

(a) Principles Used to Determine the Nature and Amount of Remuneration

Remuneration Policy
The remuneration policy of Triton Minerals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific short-term and long-term incentives based on key performance areas affecting the entity's operational and financial results. The following report details the principles used to determine the nature and amount of remuneration.

Remuneration Governance, Structure and Approvals
The Nomination and Remuneration Committee (Committee) is responsible for determining and reviewing compensation arrangements for the Directors, Key Management Personnel and Executives. The role of the Committee also includes responsibility for employee share, option, performance rights and bonus schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

12. REMUNERATION REPORT (Audited)

The Committee will review the arrangements having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Key Management Personnel capable of managing the Company's activities. No remuneration consultants were employed during the financial year.

The practices of negotiation and annual review of Executives' performance and remuneration are carried out by the Chief Executive Officer who makes recommendations to the Committee. The Chairman of the Board who makes recommendations to the full Board undertakes the review of the Chief Executive Officer's performance and remuneration.

The Committee will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director and/or Key Management Personnel. At these meetings, the particular Director and/or Key Management Personnel will declare his/her interest and not vote, and he/she will depart from the meeting, so as not to be present whilst the issue is being discussed.

Non-Executive Director Remuneration
The Company's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Committee determines payments to Non-Executive Directors and reviews their remuneration regularly and at least annually.

Non-Executive Directors may be paid fees for their services as directors of the Company, or other amounts as determined by the Committee where the director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

In accordance with the Company's Constitution and the ASX Listing Rules, the maximum aggregate amount of directors' fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a general meeting. The current aggregate remuneration pool is $250,000 per year.

Executive Remuneration
The Company aims to reward Executives and Key Management Personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and are aligned with market practice. Executive contracts are reviewed annually by the Committee.

The Executive pay and reward framework has four components:

- base pay and benefits;
- short-term incentives;
- long-term incentives (refer Notes 22 and 26); and
- other remuneration such as superannuation.

The combination of these components comprises the total remuneration.

Company performance, shareholder wealth and directors' and executive remuneration
The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. In 2013 this was facilitated through the issue of options to directors and in 2014 through the issue of shares and performance rights to directors and executives to encourage the alignment of personal and shareholders' interests. For details of movements in directors' and executives' interests in shares, options and performance rights, refer to Note 26 of the financial statements.

The following table shows the gross revenue, losses and share price of the Company at the end of the respective financial year.

	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
Revenue	749	5,328	5,801	5,500	45,069
Net Loss	12,784,684	4,997,855	1,843,860	998,635	7,189,593
Share price	8.8 cents	18.5 cents	6.3 cents	6.4 cents	3.5 cents

DIRECTORS' REPORT

12. REMUNERATION REPORT (Audited)

Short term incentives
Short term incentives such as cash bonuses may be awarded by the Committee from time to time and are determined by consideration of the following criteria:

- the Company's performance;
- the individual employee's performance; and
- the individual employee's contribution to the Company's performance.

Cash Bonuses of $52,500 were paid to Key Management Personnel during 2015. Cash bonuses of $63,368 were awarded to the Key Management Personnel in the previous financial year ended 31 December 2014.

Long term incentives
At the Company's general meeting held 22 October 2015, shareholders approved the adoption of a new employee share plan, new employee performance rights plan and new employee option plan, together the Employee Incentive Scheme.

The Employee Incentive Scheme is designed to:

(a) align employee incentives with shareholder interests;
(b) encourage broad-based share ownership by employees; and
(c) assist employee attraction and retention.

For further information regarding the long term incentives granted to Directors and Key Management Personnel refer to the Share-based Compensation section of the Remuneration Report.

Voting and comments made at the Company's 2014 Annual General Meeting
The Company received more than 82% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of Remuneration
Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Company and the consolidated Group for the year ended 31 December 2015 are set out in the following tables. Details of job titles of other key management personnel can be found in the Key Management Personnel section of the Directors' report.

Year 2015	Short-term benefits Cash Salary, Bonus and Fees	Post-employment benefits Superannuation	Share-based Payment	Termination Payments	Total	Percent of Remuneration that is Performance Based
	$	$	$	$	$	%
Name						
Directors						
Mr Christopher Catlow(i)	40,056	3,805	52,060	-	95,921	54
Mr Alan Jenks	50,379	7,505	187,756	-	245,640	76
Mr Bradley Boyle (ii)	411,029	20,821	-	503,700	935,550	-
Mr Alfred Gillman	326,250	30,994	187,756	-	545,000	34
Ms Paula Ferreira (iii)	17,820	1,693	36,240	-	55,753	65
Executives						
Mr Garth Higgo (iv)	30,108	2,860	13,876	-	46,844	30
Mr Michael Brady (v)	152,266	12,237	-	155,329	319,832	-
Ms Paige Exley	237,375	22,551	121,556	-	381,482	32
Total	1,265,283	102,466	599,244	659,029	2,626,022	23

12. REMUNERATION REPORT (Audited)

(i) Appointed Chairman 5 June 2015
(ii) Ceased employment 1 December 2015 and forfeited his performance rights granted in 2014 and 2015. Any share based payment expense previously recognised in respect of these rights has been reversed. Total Termination payments will include an additional payment of $87,450 for unused annual leave.
(iii) Appointed 28 August 2015.
(iv) Appointed 4 December 2015.
(v) Ceased employment 2 October 2015 and forfeited his performance rights granted in 2014. Any share based payment expense previously recognised in respect of these rights has been reversed.

Year 2014	Short-term benefits Cash Salary, Bonus and Fees	Post-employment benefits Superannuation	Share-based Payment	Termination Payments	Total	Percent of Remuneration that is Performance Based
	$	$	$	$	$	%
Name						
Directors						
Mr Malcolm James (i)	4,500	416	-	-	4,916	-
Mr Alan Jenks (ii)	49,500	-	431,439	-	480,939	90
Mr Bradley Boyle	365,705	34,398	1,161,439	-	1,561,542	74
Mr Alfred Gillman	201,231	10,481	796,439	-	1,008,151	79
Mr Jason Macdonald (iii)	2,500	-	-	-	2,500	-
Mr Anthony Baillieu (iii)	2,500	-	-	-	2,500	-
Executives						
Mr Michael Brady (iv)	150,386	14,221	65,234	-	229,841	45
Ms Paige Exley (v)	144,956	9,923	119,293	-	274,172	52
Total	921,278	69,439	2,573,844	-	3,564,561	74

(i) Resigned 28 January 2014.
(ii) Appointed 28 January 2014.
(iii) Appointed 28 January 2014 and resigned 28 February 2014.
(iv) Commenced employment on 5 May 2014.
(v) Engaged as a consultant on 1 August 2013 and became a full time employee on 1 July 2014.

(b) Contractual Arrangements

Mr Alfred Gillman

Mr Gillman was appointed as an Executive Director on 23 August 2014.

- Role: Technical Director
- Appointment Date: 23 August 2014 to 30 April 2016.
- Base Salary: $300,000 plus superannuation. Which was subsequently increased to $345,000 per annum plus superannuation, effective 1 June 2015 following the review of the responsibilities and activities of the Company.
- Term: Mr Gillman's contract will continue until the agreement is validly terminated.
- Termination: Mr Gillman (Executive) may terminate the contract by giving three months written notice. Except in the event of a change of control or material change where the contract may terminate by giving one month's written notice, the Executive will, subject to the ASX Listing Rules and the Corporations Act 2001, be entitled to payment of an amount 2 times the Base Salary and the maximum Bonus payable.

  The Company may terminate the contract by paying the Executive an amount equal to 12 months of salary except by termination for illness or summary termination, where the Company need not make any payment. In the event of the Executive's redundancy, a change of control or a material

12. REMUNERATION REPORT (Audited)

change, the Executive will, subject to the ASX Listing Rules and the Corporations Act 2001, be entitled to payment of an amount 2 times the Base Salary and the maximum Bonus payable.

- Short Term Incentive: Each year the Company may pay the Executive a bonus up to the amount of 50% of the Salary (Bonus). The Company shall, when making the determination on whether to pay the Bonus to the Executive and when determining the amount of the Bonus to be paid, consider targeted bonus criteria.
- Long Term Incentive: The Executive will be entitled to participate in any Company's Employee Incentive Scheme adopted by the Company from time to time.

Mr Bradley Boyle

- Role: Managing Director & Chief Executive Officer
- Appointment Date: 27 April 2012 to 1 December 2015.
- Base Salary: $438,000 per annum including superannuation which was subsequently increased to $503,700 per annum including superannuation, effective 1 June 2015 following the review of the responsibilities and activities of the Company.
- Term: Mr Boyle's contract will continue until the agreement is validly terminated.
- Termination: Mr Boyle (Executive) may terminate the contract by giving three months written notice. Except in the event of a change of control or material change where the contract may terminate by giving one month's written notice, the Executive will, subject to the ASX Listing Rules and the Corporations Act 2001, be entitled to payment of an amount 2 times the Base Salary and the maximum Bonus payable.

  The Company may terminate the contract by paying the Executive an amount equal to 12 months of salary except by termination for illness or summary termination, where the Company need not make any payment. In the event of the Executive's redundancy, a change of control or a material change, the Executive will, subject to the ASX Listing Rules and the Corporations Act 2001, be entitled to payment of an amount 2 times the Base Salary and the maximum Bonus payable.
- Short Term Incentive: Each year the Company may pay the Executive a bonus up to the amount of 50% of the Salary (Bonus). The Company shall, when making the determination on whether to pay the Bonus to the Executive and when determining the amount of the Bonus to be paid, consider targeted bonus criteria.
- Long Term Incentive: The Executive will be entitled to participate in any Company's Employee Incentive Scheme adopted by the Company from time to time.

Mr Alan Jenks

- Role: Non-Executive Chairman
- Appointment Date: 28 January 2014 to 5 June 2015
- Director's Fees: $54,000 per annum plus superannuation.
- The remuneration levels of Non-Executive Directors are discussed further in Note 1 below.

- Role: Non-Executive Director
- Appointment Date: 5 June 2015 to 10 February 2016
- Director's Fees: $50,000 per annum plus superannuation. The remuneration levels of Non-Executive Directors are discussed further in Note 1 below.
- Term: See Note 2 below for details regarding re-appointment and termination.

Mr Christopher Catlow

- Role: Non-Executive Chairman
- Appointment Date: 5 June 2015 to 22 July 2016
- Director's Fees: $70,000 per annum plus superannuation. The remuneration levels of Non-Executive Directors are discussed further in Note 1 below.

12. REMUNERATION REPORT (Audited)

- Term: See Note 2 below for details regarding re-appointment and termination.

Ms Paula Ferreira
- Role: Non-Executive Director
- Appointment Date: 24 August 2015
- Director's Fees: $50,000 per annum plus superannuation. The remuneration levels of Non-Executive Directors are discussed further in Note 1 below.
- Term: See Note 2 below for details regarding re-appointment and termination.

There are no other service agreements in place for Executive or Non-Executive Directors.

Note 1: The remuneration of Non-Executive Directors is reviewed regularly, at least annually, by the Nomination and Remuneration Committee (Committee). The maximum aggregate amount of directors' fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the annual general meeting. The current aggregate remuneration is $250,000 per year.

Note 2: The term of each Non-Executive Director is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each annual general meeting and are eligible for re-election as a Director at that meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods.

Other Key Management Personnel service contracts:

Mr Michael Brady
- Role: General Counsel & Company Secretary
- Appointment Date: 05 May 2014 to 2 October 2015.
- Base Salary: $170,000 per annum plus superannuation.
- Term: Mr Brady's contract will continue until the agreement is validly terminated.
- Termination: Mr Brady (Executive) may terminate the contract by giving three months written notice. Except in the event of a change of control or material change where the contract may terminate by giving one month written notice, the Executive will, subject to the ASX Listing Rules and the Corporations Act 2001, be entitled to payment of an amount 2 times the Base Salary and the maximum Bonus payable.
- The Company may terminate the contract by paying the Executive an amount equal to 12 month's salary except by termination for illness or summary termination, where the Company need not make any payment. In the event of the Executive's redundancy, a change of control or a material change the Executive will, subject to the ASX Listing Rules and the Corporations Act 2001, be entitled to payment of an amount 2 times the Base Salary and the maximum Bonus payable.
- Short Term Incentive: Each year the Company may pay the Executive a bonus up to the amount of 50% of the Salary (Bonus). The Company shall, when making the determination on whether to pay the Bonus to the Executive and when determining the amount of the Bonus to be paid, consider targeted bonus criteria.
- Long Term Incentive: The Executive will be entitled to participate in any Company's Employee Incentive Scheme adopted by the Company from time to time.

Ms Paige Exley
- Role: Chief Financial Officer & Company Secretary
- Appointment Date: 01 July 2014
- Base Salary: $170,000 per annum plus superannuation, which was subsequently increased to $195,500 per annum plus superannuation, effective 1 June 2015 following the review of the responsibilities and activities of the Company.
- Term: Ms Exley's contract will continue until the agreement is validly terminated.

12. REMUNERATION REPORT (Audited)

- Termination: Ms Exley (Executive) may terminate the contract by giving three months written notice. Except in the event of a change of control or material change where the contract may terminate by giving one month written notice, the Executive will, subject to the ASX Listing Rules and the Corporations Act 2001, be entitled to payment of an amount 2 times the Base Salary and the maximum Bonus payable.
- The Company may terminate the contract by paying the Executive an amount equal to 12 months of salary except by termination for illness or summary termination, where the Company need not make any payment. In the event of the Executive's redundancy, a change of control or a material change the Executive will, subject to the ASX Listing Rules and the Corporations Act 2001, be entitled to payment of an amount 2 times the Base Salary and the maximum Bonus payable.
- Short Term Incentive: Each year the Company may pay the Executive a bonus up to the amount of 50% of the Salary (Bonus). The Company shall, when making the determination on whether to pay the Bonus to the Executive and when determining the amount of the Bonus to be paid, consider targeted bonus criteria.
- Long Term Incentive: The Executive will be entitled to participate in any Company's Employee Incentive Scheme adopted by the Company from time to time.

Mr Garth Higgo

- Role: Chief Executive Officer
- Appointment Date: 4 December 2015.
- Base Salary: $400,000 per annum plus superannuation.
- Term: Mr Higgo's contract will continue until the agreement is terminated.

(c) Share-based Compensation

The Company rewards Directors and Executives for their performance and aligns their remuneration with the creation of shareholder wealth by issuing shares, options or performance rights. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or receive any guarantees benefits.

At the Company's general meeting held 22 October 2015, shareholders approved the adoption of a new employee equity incentive plan.

(i) Unlisted Options

During the 2015 financial year, no options were granted to Directors or Key Management Personnel as remuneration. Mr Christopher Catlow was issued on 20 January 2015, 23,810 free attaching unlisted options exercisable at $0.15 expiring 16 March 2017, following his participation in a placement prior to his appointment as a Director of the Company. Mr Alfred Gillman was issued on 20 January 2015, 75,000 free attaching unlisted options exercisable at $0.15 expiring 16 March 2017, following his participation in a placement whilst a Director of the Company.

During the previous financial year, no options were granted to Directors or Key Management Personnel as remuneration. Mr Alan Jenks was issued on 7 January 2014, 2,442,500 free attaching unlisted options exercisable at $0.10 expiring 31 December 2016, following his participation in a placement prior to his appointment as a Director of the Company.

(ii) Shares

During the 2015 financial year, no shares were granted to Directors or Key Management Personnel as remuneration.

On 29 May 2014, the Directors resolved to grant 450,000 shares to Key Management Personnel in recognition of the significant achievements of the Company in the previous eighteen months. On 29 May 2014, the closing share price of the Company's shares was $0.135, therefore the valuation of the grant of shares to Key Management Personnel was $60,750.

12. REMUNERATION REPORT (Audited)

At the Company's general meeting held 20 August 2014, shareholders unanimously approved the grant of 6 million shares to the Directors and the shares were issued to Directors on 1 September 2014. On that date the Directors also resolved to grant a further 150,000 shares to Key Management Personnel pursuant to the approved Employee Incentive Scheme. On 20 August 2014, the closing shares price of the Company's shares was $0.365, therefore the grant of shares to Directors and Key Management Personnel was valued at $2,244,750.
The trading of the shares issued pursuant to the Company's employee equity incentive plan are subject to the Company's Securities Trading Policy; further, Directors and employees are encouraged not to trade shares granted in order to align Directors and employees interests with those of all shareholders.

Refer to Table 2 for information regarding the valuation of shares granted to Directors and Key Management Personnel as remuneration in 2014.

(iii) Performance Rights

At the Company's general meeting held 22 October 2015, shareholders unanimously approved the grant of 7.5 million performance rights to the Directors.

On 1 November 2015, the Company issued 7.5 million performance rights with various vesting hurdles as follows:

(a) The Performance Rights will vest on 20 August 2017 (minimum vesting period). The number of Performance Rights that will vest will be dependent upon the following:
   (i) the Company's share price reaching a 5 day VWAP of at least $0.40 per share - 1,600,000 Performance Rights will vest;
   (ii) the Company's share price reaching a 5 day VWAP of at least $0.60 per share - 1,700,000 Performance Rights will vest;
   (iii) the Company's share price reaching a 5 day VWAP of at least $0.75 per share - 1,700,000 Performance Rights will vest;
   (iv) the Company's share price reaching a 5 day VWAP of at least $1.00 per share – 2,500,000 Performance Rights will vest;
   (collectively the Vesting Conditions)

(b) the Performance Rights will expire on 20 August 2018;

The valuation of the grant of performance rights to Directors is $997,916. Please refer to Table 1 below for more details of the valuation of these performance rights.

On 3 December 2015, the Company granted Mr Garth Higgo 3.5 million performance rights. The performance rights, upon vesting, entitle the holder to acquire one fully paid ordinary share for nil consideration. The performance rights will expire, if unvested, on 20 August 2017, and are subject to the following vesting conditions;

- Continuous employment or engagement by the company up to the satisfaction of the vesting conditions;
- Tranche A – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.20 per share – 1,000,000 rights will vest.
- Tranche B- the rights will vest upon the share process reaching a 5-day VWAP of at least $0.30 per share- 1,000,000 rights will vest.
- Tranche C – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.40 per share- 1,000,000 rights will vest.
- Tranche D – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.50 per share- 500,000 rights will vest.

The issue of these performance rights is subject to shareholder approval at the AGM, at the date of this report these rights have not yet been issued. The valuation of the grant of performance rights to

12. REMUNERATION REPORT (Audited)

Mr Higgo is $362,350. Please refer to Table 1 below for more details of the valuation of these performance rights.

On 29 May 2014, the Directors approved the grant of 2 million performance rights to Mr Michael Brady following shareholder approval of the new employee performance rights plan. On 29 May 2014, the fair value of each performance right was $0.0675, therefore the valuation of the grant of performance rights to Mr Brady was $135,000.

At the Company's general meeting held 20 August 2014, shareholders unanimously approved the grant of 9 million performance rights to the Directors. On that date the Directors also resolved to grant a further 2 million performance rights to Key Management Personnel pursuant to the approved Employee Incentive Scheme.

On 20 August 2014, the fair value of each performance right was $0.1825, therefore the valuation of the grant of performance rights to Directors and Key Management Personnel was $2,007,500.

On 1 September 2014, the Company made the following issues:

- 9 million performance rights to Directors as approved by shareholders at the general meeting held 20 August 2014 pursuant to the Company's Employee Performance Rights Plan approved at the same meeting; and

- 4 million performance rights to Key Management Personnel pursuant to the Company's Employee Performance Rights Plan approved at the general meeting held 20 August 2014.

Each performance right, upon vesting, entitles the holder to acquire one fully paid ordinary share for nil consideration. The performance rights will expire, if unvested, on 20 August 2018. The performance rights vesting conditions are as follows:

- minimum vesting term of 36 months from grant date, being 20 August 2017 (Minimum Vesting Period);

- if an announcement is made to the market by the Company confirming a minimum of an inferred resource or higher at the Company's Balama North project of at least 0.5b tonnes of graphite bearing ore – 5,000,000 performance rights will vest, upon satisfaction of the Minimum Vesting Period; and

- if an announcement is made to the market by the Company confirming that a pre–feasibility or other feasibility study will be undertaken within the Company's Balama North project – 6,000,000 director performance rights will vest and 2,000,000 key management personnel performance rights will vest, upon satisfaction of the Minimum Vesting Period

Refer to Table 3 for information regarding the valuation of performance rights granted to Directors and Key Management Personnel as remuneration in 2014.

In November 2015, following the cessation of Mr Brady's employment with the Company, 2 million performance rights lapsed without conversion to shares.

DIRECTORS' REPORT

12. REMUNERATION REPORT (Audited)

Table 1. Valuation of Performance Rights granted to Key Management Personnel as remuneration 2015

Key Management Personnel	Performance Rights Granted	Grant Date	Issue Date	Amortisation Date	Expiry Date	Share Price at Grant Date	Vesting 5 Day VWAP	Fair Value per Performance Right	Total value of Performance Rights	Share-Based Payments		Vested Number of Rights	% Rights Vested
										During the year	Not yet recognised		
Bradley Boyle	500,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	$0.1035	$51,755	-	-	-	0%
Alfred Gillman	500,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	$0.1035	$51,755	$5,423	$46,332	-	0%
Alan Jenks	500,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	$0.1035	$51,755	$5,423	$46,332	-	0%
Christopher Catlow	1,000,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.40	$0.1746	$174,610	$18,297	$156,313	-	0%
Christopher Catlow	1,000,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.60	$0.1441	$144,120	$15,102	$129,018	-	0%
Christopher Catlow	1,000,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.75	$0.1263	$126,330	$13,238	$113,092	-	0%
Christopher Catlow	500,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	$0.1035	$51,755	$5,423	$46,332	-	0%
Paula Ferreira	600,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.40	$0.1746	$104,766	$10,978	$93,788	-	0%
Paula Ferreira	700,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.60	$0.1441	$100,884	$10,572	$90,312	-	0%
Paula Ferreira	700,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.75	$0.1263	$88,431	$9,267	$79,164	-	0%
Paula Ferreira	500,000	22-Oct-15	01-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	$0.1035	$51,755	$5,423	$46,332	-	0%
Garth Higgo	1,000,000	3-Dec-2015	13-Jan-16	03-Dec-17	20-Aug-18	$0.13	$0.20	$0.1248	$124,800	$4,780	$120,020	-	0%
Garth Higgo	1,000,000	3-Dec-2015	13-Jan-16	03-Dec-17	20-Aug-18	$0.13	$0.30	$0.1063	$106,300	$4,072	$102,228	-	0%
Garth Higgo	1,000,000	3-Dec-2015	13-Jan-16	03-Dec-17	20-Aug-18	$0.13	$0.40	$0.0914	$91,400	$3,501	$87,899	-	0%
Garth Higgo	500,000	3-Dec-2015	13-Jan-16	03-Dec-17	20-Aug-18	$0.13	$0.50	$0.0795	$39,750	$1,523	$38,227	-	0%
Total	**11,000,000**								**$1,360,166**	**$113,022**	**$1,195,389**	**-**	

DIRECTORS' REPORT

12. REMUNERATION REPORT (Audited)

Table 2. Valuation of Shares granted to Key Management Personnel as remuneration 2014

Key Management Personnel	No. of granted shares	Grant Date	Issue Date	Share Price on Grant Date	Total value of Shares	Share-Based Payments		Vested Number of Shares	% Shares Vested
						During the year	Not yet recognised		
Bradley Boyle	3,000,000	20-Aug-14	01-Sep-14	$0.365	$1,095,000	$1,095,000	-	3,000,000	100%
Alfred Gillman	2,000,000	20-Aug-14	01-Sep-14	$0.365	$730,000	$730,000	-	2,000,000	100%
Alan Jenks	1,000,000	20-Aug-14	01-Sep-14	$0.365	$365,000	$365,000	-	1,000,000	100%
Michael Brady	300,000	29-May-14	01-Sep-14	$0.135	$40,500	$40,500	-	300,000	100%
Paige Exley	150,000	29-May-14	01-Sep-14	$0.135	$20,250	$20,250	-	150,000	100%
	150,000	20-Aug-14	01-Sep-14	$0.365	$54,750	$54,750	-	150,000	100%
Total	**6,600,000**				**$2,305,500**	**$2,305,500**	-	**6,600,000**	

Table 3. Valuation of Performance Rights granted to Key Management Personnel as remuneration 2014

Key Management Personnel	Performance Rights Granted	Grant Date	Issue Date	3 year Amortisation Date	Expiry Date	Share Price at Grant Date	Vesting Probability	Fair Value per Performance Right	Total value of Performance Rights	Share-Based Payments		Vested Number of Rights	% Rights Vested
										During the year	Not yet recognised		
Bradley Boyle	3,000,000	20-Aug-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.365	50%	$0.1825	$547,500	$66,439	$481,061	-	0%
Alfred Gillman	3,000,000	20-Aug-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.365	50%	$0.1825	$547,500	$66,439	$481,061	-	0%
Alan Jenks	3,000,000	20-Aug-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.365	50%	$0.1825	$547,500	$66,439	$481,061	-	0%
Michael Brady	2,000,000	29-May-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.135	50%	$0.0675	$135,000	$24,734	$110,266	-	0%
Paige Exley	2,000,000	20-Aug-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.365	50%	$0.1825	$365,000	$44,293	$320,707	-	0%
Total	**13,000,000**								**$2,142,500**	**$268,344**	**$1,874,156**	**-**	

12. REMUNERATION REPORT (Audited)

(d) Equity Instruments Issued on Exercise of Remuneration Options

During the 2015 financial year, 2,965,000 fully paid ordinary shares were issued to Directors upon conversion of unlisted options, of which 2,400,000 had been granted to Directors during 2013 as remuneration.

During the 2014 financial year 1,600,000 fully paid ordinary shares were issued to Directors upon conversion of unlisted options granted to Directors during 2013.

(e) Loans to Directors and Key Management Personnel

No loans have been made to Directors of the Company or the Key Management Personnel of the consolidated Group, including their personally-related entities.

This concludes the audited Remuneration Report.

13. Environmental Regulation

The Group holds various exploration licenses which regulate its exploration activities in Australia and Mozambique. These licenses include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of exploration activities. The Board believes that it has adequate systems in place for the management of its environmental requirements and is not aware of any breach of environmental requirements as they apply to the Group.

14. Shares under Option

Unissued ordinary shares of Triton Minerals Limited under option at the date of this report are as follows:

Expiry date	Exercise Price	Number under option
31/12/2016	$0.10	7,918,957
23/07/2017	$1.00	5,000,000
25/08/2017	$0.70	5,000,000
23/01/2018	$0.2748	4,548,763
16/03/2017	$0.20	696,426
16/03/2017	$0.15	22,222,306
		45,386,452

No option holder has any right under the options to participate in any other share issue of the Company or of any other entities.

15. Shares Issued on the Exercise of Options

During the financial year ended 31 December 2015 a total of 6,159,636 (2014: 23,082,113) fully paid ordinary shares were issued on exercise of options.

16. Non–Audit Services

The Board of Directors, in accordance with advice from the Audit and Governance Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Nexia Perth provided $25,045 (2014: $3,780) of accounting and taxation services for the year ended 31 December 2015.

DIRECTORS' REPORT

17. Auditors' Independence Declaration

The auditor's independence declaration for the year ended 31 December 2015 has been received and can be found on page 121 of the annual report.

Signed in accordance with a resolution of the Board of Directors.

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Garth Higgo
Managing Director and Chief Executive Officer

Dated at Perth this 2 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2015 $	2014 $
Revenue	4	749	5,328
Administration expense		(159,592)	(91,986)
Directors and employee benefits expense		(2,159,369)	(1,103,284)
Share based payment expenses	22	(1,336,752)	(2,694,762)
Depreciation	9	(29,834)	(41,296)
Borrowing costs		(708,609)	-
Business development expense		-	(52,548)
Exploration and evaluation expenditure not capitalised	10	-	(102,143)
Insurance		(56,292)	(35,175)
Occupancy expenses		(164,567)	(79,090)
Professional services expense		(690,019)	(265,228)
Public and investor relations expense		(279,534)	(363,327)
Travel expenses		(497,202)	(314,619)
Impairment on exploration & evaluation assets	10	(68,743)	-
Impairment on investment in listed entity	8	(27,778)	-
Investment in associate not capitalised	11	(6,732,662)	-
Loss on disposal of assets		3,880	(4,399)
Foreign currency gain/(loss)		115,647	99,588
Other expenses		(9,689)	(18,163)
Results from operating activities		**(12,800,366)**	**(5,061,104)**
Financial income	4	51,682	63,249
Financial expense		-	-
Net financing income		51,682	63,249
Loss before income tax		(12,748,684)	(4,997,855)
Income tax expense	16	-	-
Net loss for the year		**(12,748,684)**	**(4,997,855)**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Movement in fair value of available-for-sale assets		(24,344)	30,085
Total other comprehensive income		(24,344)	30,085
Total comprehensive loss for the year attributed to the equity holders of Triton Minerals Limited		**(12,773,028)**	**(4,967,770)**
		Cents	**Cents**
Loss per share attributable to ordinary equity holders – basic and diluted	21	(3.59)	(1.86)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	**5**	343,938	1,497,435
Trade and other receivables	**6**	544,592	50,762
Prepayments	**7**	57,709	29,312
Total Current Assets		**946,239**	**1,577,509**
Non-Current Assets			
Financial assets	**8**	86,996	39,118
Property, plant and equipment	**9**	94,726	91,676
Exploration and evaluation assets	**10**	16,522,452	7,231,528
Equity-accounted investees	**11**	22,929,494	15,823,331
Total Non-Current Assets		**39,633,668**	**23,185,653**
TOTAL ASSETS		**40,579,907**	**24,763,162**
LIABILITIES			
Current Liabilities			
Trade and other payables	**12**	3,589,127	467,142
Provisions	**13**	6,798,704	208,850
Total Current Liabilities		**10,387,831**	**675,992**
Non-Current Liabilities			
Provisions	**13**	-	3,343
Total Non-Current Liabilities		**-**	**3,343**
TOTAL LIABILITIES		**10,387,831**	**679,335**
NET ASSETS		**30,192,076**	**24,083,827**
EQUITY			
Issued capital	**14**	59,250,029	41,941,390
Reserves	**15**	6,184,425	5,039,568
Accumulated losses		(35,242,378)	(22,897,131)
TOTAL EQUITY		**30,192,076**	**24,083,827**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED	Ordinary Share Capital $	Available-For-Sale Reserve $	Foreign Currency Translation Reserve $	Share-based Payment Reserve $	Accumulated Losses $	Total $
Balance at 1 January 2014	**21,035,012**	**-**	**-**	**772,452**	**(18,583,296)**	**3,224,168**
Comprehensive Income:						
Loss for the year	-	-	-	-	(4,997,855)	(4,997,855)
Other Comprehensive Income						
Unrealised loss on available-for-sale financial assets, net of deferred tax liability	-	30,085	-	-	-	30,085
Total Comprehensive Income for the year	-	30,085	-	-	(4,997,855)	(4,967,770)
Transactions with owners recorded directly in equity						
Cost of share based payments	-	-	-	312,637	-	312,637
Issue of shares	21,677,932	-	-	-	-	21,677,932
Share issue costs	(771,554)	-	-	(2,991,297)	-	(3,762,851)
Options issued or converted during the year	-	-	-	6,915,691	684,020	7,599,711
Balance at 31 December 2014	**41,941,390**	**30,085**	**-**	**5,009,483**	**(22,897,131)**	**24,083,827**
Balance at 1 January 2015	**41,941,390**	**30,085**	**-**	**5,009,483**	**(22,897,131)**	**24,083,827**
Comprehensive Income:						
Loss for the year	-	-	-	-	(12,748,684)	(12,748,684)
Other Comprehensive Income						
Unrealised loss on available-for-sale financial assets, net of deferred tax liability	-	(24,344)	-	-	-	(24,344)
Total Comprehensive Income for the year	-	(24,344)	-	-	(12,748,684)	(12,773,028)
Transactions with owners recorded directly in equity	**-**	**-**	**-**	**-**	**-**	**-**
Cost of share based payments	-	-	-	1,238,236	-	1,238,236
Issue of shares	18,233,789	-	-	-	-	18,233,789
Share issue costs	(925,150)	-	-	334,402	-	(590,748)
Options issued or converted during the year	-	-	-	(403,437)	403,437	-
Balance at 31 December 2015	**59,250,029**	**5,741**	**-**	**6,178,684**	**(35,242,378)**	**30,192,076**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(4,477,017)	(2,267,180)
Receipts from customers		749	5,328
Interest received		51,682	63,249
Net Cash Outflow From Operating Activities	**23**	**(4,424,586)**	**(2,198,603)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds for sale of fixed assets		18,125	-
Payments for acquisition of plant and equipment		(47,129)	(72,615)
Payments for exploration and evaluation expenditure		(7,527,417)	(5,353,237)
Payments for financial assets held for sale		(100,000)	-
Payment for joint venture investment		(2,880,543)	(6,039,081)
Net Cash Outflow From Investing Activities		**(10,536,964)**	**(11,464,933)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		14,617,556	14,187,327
Payment of capital raising costs		(925,150)	(771,554)
Net Cash Inflow From Financing Activities		**13,692,406**	**13,415,773**
Net Increase/(Decrease) in Cash and Cash Equivalents		**(1,269,144)**	**(247,763)**
Cash and cash equivalents at the beginning of the financial year		1,497,435	1,645,610
Net foreign exchange differences		115,647	99,588
Cash and Cash Equivalents at the end of the financial year	**5**	**343,938**	**1,497,435**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 1. REPORTING ENTITY

The consolidated financial statements represent Triton Minerals Limited and its controlled entities (the "Consolidated Group" or "Group"). Triton Minerals Limited is a company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Triton Minerals Limited, have not been presented within this financial report, as permitted by the *Corporations Act 2001.*

The Group is a for-profit entity and is primarily involved in mineral exploration and evaluation.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001.*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Board of Directors on 2 September 2016.

Functional and Presentation Currency
The functional and presentation currency for the Group is in Australian Dollars.

Going Concern
The 31 December 2015 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 31 December 2015, the Group recorded a loss after tax of $12,748,684 (2014: $4,997,885) and had a net working capital deficit of $9,441,592 (31 December 2014: surplus $901,517).

During January 2016, the Company completed a pro rata non-renounceable entitlement offer of one (1) fully paid ordinary share for every three (3) fully paid ordinary shares (Shares) held by eligible shareholders on 30 December 2015 at an issue price of $0.09 per share to raise up to $11,296,483 (before costs), with one (1) free attaching option for every two (2) Shares subscribed for under the offer (Options) (Entitlement Offer). The Entitlement Offer was partially underwritten up to $4 million by GMP Securities Australia Pty Limited.

Triton raised $4 million via the Entitlement Offer through the issue of 44,444,444 Shares and 22,222,306 Options.

On 25 July 2016, the DOCA was executed by the Company and Administrator, whereupon the Company entered deed administration and the Administrators became the Deed Administrators of the Company. The DOCA will complete and be fully effectuated upon each of the following being satisfied:

- a shareholders' meeting approves the issue to Minjar Gold Pty Ltd or nominees of 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 ("the Placement") together with 25,000,000 free options to acquire shares in the Company;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

- the Placement occurs in accordance with the Subscription Agreement (described below);
- the Creditors' Trust Deed is executed;
- the Company transfers $5 million together with any chose in action or claim that the Company may have against third parties ("Company Causes of Action") and the benefit of such Company Causes of Action to the trustees of the Creditors Trust; and
- all creditors' claims against the Company (except any excluded claims) are extinguished and all creditors whose claims have been so extinguished are taken to have a claim against the Creditors Trust, equal in amount to their released claim.

Immediately following the execution of the DOCA, the Underwriting Agreement (proposed as part of the DOCA) was executed by the Company and Somers & Partners on Monday, 25 July 2016.

Pursuant to the terms and conditions of the Underwriting Agreement, Somers & Partners will underwrite a non-renounceable pro-rata entitlement issue of not less than 131,560,567 fully paid ordinary shares at $0.06 per share on the basis of 1 Entitlement Issue Share for every 4 shares to raise not less than $7,893,634.

Immediately following the execution of the Underwriting Agreement (proposed as part of the DOCA), the Subscription Agreement was executed by the Company and Minjar Gold Pty Ltd on Monday, 25 July 2016.

Pursuant to the terms and conditions of the Subscription Agreement, including shareholder approval, Minjar Gold Pty Ltd or nominees will subscribe for 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 and 25,000,000 free options, exercisable at $0.10, expiring 30 June 2018.

Due to the Group being an exploration and development entity, ongoing exploration and development activities are reliant on future capital raisings. Based on these facts above, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

Until and unless the DOCA is completed and effectuated there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Critical Accounting Estimates and Judgments
The preparation of financial statements in conformity with AASBs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 10 – Capitalisation of Exploration and Evaluation Assets
Note 11 – Carrying value of equity-accounted investees
Note 13 - Provisions
Note 16 – Income Tax Expense
Note 22 – Valuation of Share-based Payments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

(i) AASB 1031 'Materiality' (2013)
(ii) AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
(iii) AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
(iv) AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
(v) AASB 2014-1 'Amendments to Australian Accounting Standards':
Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycles'
Part C: 'Materiality'

The nature and effects of the changes are explained below.

(i) Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

(ii) Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's condensed consolidated financial statements.

(iii) Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New Accounting Standards (continued)

The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements.

(iv) Impact of the application of AASB 2013-9 'Amendments to Australian Accounting Standards'– Part B: 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

(v) Impact of the application of AASB 2014-1 'Amendments to Australian Accounting Standards'

Part A: 'Annual Improvements 2010-2012 and 2011-2013 Cycle'

The Annual Improvements 2010-2012 Cycle include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss.

The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New Accounting Standards (continued)

The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The 'Annual Improvements 2011-2013 Cycle' include a number of amendments to various AASBs, which are summarised below.

The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of AASB 140; and

(b) the transaction meets the definition of a business combination under AASB 3.

Part C 'Materiality'

This amending standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031, which historically has been referenced in each Australian Accounting Standard.

(vi) Summary of quantitative impacts

There is no quantitative impact arising from the changes to Group's accounting policies. The Group has adopted all the new and revised Standards issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STANDARDS AND INTERPRETATIONS ON ISSUE NOT YET ADOPTED

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases' and the relevant amending standards	1 January 2019	-
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards- Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards- Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards- Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards- Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-5 'Amendments to Australian Accounting Standards -Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards, and has not assessed the full impact of these amendments at the date of this report.

(c) Principles of Consolidation

Business Combinations
For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control over the other combining entities. An investor controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred from the acquirer.

Subsidiaries
Subsidiaries are all those entities (including special purpose entities) controlled by the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Principles of Consolidation (continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are carried at cost less impairment in the Company's separate financial statements.

Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise the interest in a joint venture. A joint venture is a joint arrangement, whereby the Group and other parties have joint control and have rights to the net assets of the arrangement. The interest in the joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(d) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Consolidation

Triton Minerals Limited and its Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Triton Minerals Limited.

Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the stand-alone taxpayer approach to allocation. Current tax liabilities and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax-consolidated group to apply from 1 July 2006. The tax-consolidated group has entered into a tax funding agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amount recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

(e) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Depreciation

Property, plant and equipment are depreciated on a straight-line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

Class of Fixed Asset	Useful Life
Plant and Equipment	2 – 20 years

The assets' carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit and loss on disposal are determined by comparing proceeds with the carrying amount. These amounts are included in the statement of profit or loss and other comprehensive income.

(g) Financial Instruments

Non-Derivative Financial Instruments

Recognition
The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Non-Derivative Financial Instruments (continued)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables and available-for-sale financial assets.

Loans and Receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-Sale Financial Assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the other categories. The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value

The fair values of quoted investments are based on current bid prices. If the market for financial assets is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

(h) Impairment

Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial Assets (including Receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment (continued)

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables and available-for-sale investment securities at a specific asset level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss.

The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

(i) Foreign Currency Translation - Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction. Translation differences on monetary items are recognised in the income statement except when deferred in equity and qualifying cash flow hedges and qualifying net investment hedges.

(j) Employee Benefits

Short-Term Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other Long-Term Employee Benefits
Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising out of wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Employee Benefits (continued)

Contributions made to defined employee superannuation funds are charged as expenses when incurred.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(l) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(m) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except:

(i) Where the amount of GST incurred is not recoverable from the relevant taxation authority, it is recognised as part of the cost of the acquisition of an asset or as part of an item of expenditure.

(ii) Receivables and payables are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Australian Accounting Standards or as a result in changes in accounting policy.

(p) Exploration and Evaluation Assets

Expenditure on exploration and evaluation is incurred either to maintain an interest or in earning an interest and is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active significant operations in, or relating to, the area of interest are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the Directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

- Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

- When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.
The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised development expenditure. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment. Costs related to the acquisition of properties that contain mineral resources are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(p) Exploration and Evaluation Assets (continued)

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

(q) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(r) Share-based Payment Transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based-payment awards with market-based conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(s) Segment Reporting

Determination and Presentation of Operating Segments
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expense that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

(t) Earnings per Share (EPS)

Basic Earnings per Share
Basic earnings per share are calculated by dividing the net profit/(loss) attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements.

Diluted Earnings per Share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 3. DETERMINATION OF FAIR VALUES

Equity Instruments
The fair value of available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

Trade and Other Receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-Derivative Financial Liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Share-Based Payment Transactions
The fair value of the employees' shares is measured using an appropriate valuation model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

	2015 $	2014 $
NOTE: 4. REVENUE AND FINANCIAL INCOME		
Operating Activities		
Revenue	749	5,328
Total Revenue	**749**	**5,328**
Other Activities		
Interest income	51,682	63,249
Total Financial Income	**51,682**	**63,249**
NOTE: 5. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	202,966	1,430,454
Short-term bank deposits	140,972	66,981
Total Cash and Cash Equivalents	**343,938**	**1,497,435**
NOTE: 6. TRADE AND OTHER RECEIVABLES		
Current		
Trade Debtors	-	-
Advances	2,436	7,804
GST receivable	81,874	42,958
Other receivable	460,282	-
Total Current Trade and Other Receivables	**544,592**	**50,762**

(a) Allowance for impairment loss
Current trade receivables are non-interest bearing and generally on 30-day terms.

(b) Fair value and credit risk
Due to the short term nature of the other receivables, their carrying value is assumed to approximate their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015 $	2014 $
NOTE: 7. PREPAYMENTS		
Current		
Prepayment	57,709	29,312
Total Prepayments	**57,709**	**29,312**
NOTE: 8. FINANCIAL ASSETS		
Available-for-sale financial assets		
Balance at beginning of the year	39,118	9,033
Additions	100,000	-
Revaluation loss through other comprehensive income	(24,344)	30,085
Impairment loss through profit or loss	(27,778)	-
Total available-for-sale financial assets	86,996	39,118
Total Financial Assets	**86,996**	**39,118**

Available-for-sale investments consist of investments in ordinary shares and therefore have no fixed maturity date or coupon rate. The fair value of listed available-for-sale investments is based on quoted prices in active markets. During the year the Company purchased shares in RBR Group Limited (formerly Rubicon Resources Limited), a company listed on the Australian Securities Exchange. At reporting date, the shares were revalued and the resulting impairment loss was recognised in the profit and loss. The revaluation loss recognised in comprehensive income refers to shares that are held in Pure Mining Gold Limited (formerly Laurentian Goldfields Limited), a company listed on the Canadian Securities Exchange. At reporting date, the fair value of the shareholding was less than its cost base, resulting in the Group recognising a revaluation loss of $24,344. This was offset against a prior revaluation gain in comprehensive income.

NOTE: 9. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
At cost	183,707	199,570
Less: Accumulated depreciation	(88,981)	(107,894)
Total Plant and Equipment	**94,726**	**91,676**
Movements in carrying amounts		
Balance at beginning of year	91,676	64,756
Additions	47,129	72,615
Write offs/ Disposals	(14,245)	(4,399)
Depreciation expense	(29,834)	(41,296)
Carrying amount at end of year	**94,726**	**91,676**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 10. EXPLORATION & EVALUATION ASSETS

Exploration at cost:

Balance at the beginning of the year	7,231,528	1,615,822
Expenditure during the year	9,359,667	5,717,849
Expenditure not capitalised	-	(102,143)
Impairment of exploration and evaluation assets	(68,743)	-
Balance at the end of the financial year	**16,522,452**	**7,231,528**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassesses the carrying value of the Group's tenements at each half year, or at a period other than that, should there be any indication of impairment.

On 30 June 2015, the gold exploration project, Frazer Range North, located in Western Australia with a carrying value of $68,743 was written off as the Company does not intend to commit any further significant expenditure towards the project and the tenements in relation to the project were surrendered in September 2015.

At the date of signing this report, six of the eight licences included in the joint venture agreement with Grafex had been officially granted by the Mozambique government, with the two additional licences in application. In accordance with the Group's accounting policy, the exploration costs of the licences have been grouped into their respective areas of interest and capitalised.

NOTE: 11. EQUITY-ACCOUNTED INVESTEES

	2015 $	2014 $
Balance at the beginning of the year	15,823,331	1,617,155
Investment in joint venture during the year	13,242,722	14,206,176
Investment in joint venture not capitalised	(6,732,662)	-
Net assets of Grafex Lda	596,103	
Balance at the end of the year	**22,929,494**	**15,823,331**

Joint Venture

At 31 December 2015, the Company owned 80% of the issued share capital of Grafex Lda via its 100% owned subsidiary, Triton United Ltd. Under the terms of the Shareholders' Agreement entered into by the shareholders of Grafex, even though Triton has the majority of the directors' voting rights, the Shareholders' Agreement requires the minority shareholder's consent to all significant decisions and therefore Triton cannot direct the relevant activities of Grafex unilaterally.

Accordingly, the investment in Grafex has been treated as a joint arrangement. As the joint arrangement is structured through a separate company, Grafex, and the Shareholders' Agreement gives the companies rights to the net profit rather than rights to Grafex's assets and obligations for its liabilities, the joint arrangement has been treated as a joint venture and equity accounted for.

When, the Project moves into the development and production phases, Triton will consider the exercise of its rights under the Shareholders' Agreements and its implications on control if it has not acquired the remaining minority interest by that time.

Grafex is structured as a separate vehicle and the Group has a residual interest in the net assets of Grafex. The licenses of interest in Mozambique, i.e. L5304, L5305, L5336, L5365, L5357, L5934, L5380 and L5966, are held in the name of Grafex, not the joint venturers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 11. EQUITY-ACCOUNTED INVESTEES (continued)

Grafex Limitada is the only joint arrangement in which the Group participates.

The Group's interest in Grafex Lda is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture and reconciliation with the carry amount of the investment in the consolidated financial statements is set out below:

Management had its interests in Mozambique valued by a third party as at 31 December 2015 to determine whether the recoverable value of these interests exceeded their carrying value. The valuer used the resource multiple methodology and the resulting fair value less costs to sell exceeded the carrying values of Mozambique exploration assets and investments in Grafex.

Summarised statement of financial position of Grafex Lda:

	2015 $	2014 $
Current assets	711	-
Non-current assets	622,961	-
Current liabilities	(27,569)	-
Non-current liabilities	-	-
Equity	**596,103**	**-**

During the year ended 31 December 2015, a tax provision of US$4,751,457 (AU$6,510,628) increased the investment in Grafex, due to the recognition of a capital gains tax contingent liability, for transfer of mining assets, imposed by the Mozambique Government. Refer to Note 19 for further details.

During the year ended 31 December 2015, Triton made payments of US$2.2 million and issued 16,109,734 shares to the minority shareholders of Grafex for consideration totalling US$5,200,000 (AU$6,732,662) to acquire an additional 10% equity interest in Grafex, to increase the Group's interest in the Mozambique graphite projects to a 90% interest. Triton did not remit the remaining tranche of US$1,000,000 in consideration to secure the 90% interest by the payment deadline, 24 February 2016. In accordance with the terms and conditions of the share purchase agreements Triton's equity interest remains at 80% and the Company forfeits the consideration paid to earn the 90% equity interest. At the reporting date, 31 December 2015 the amount of $6,732,662 was expensed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015 $	2014 $
NOTE: 12. TRADE AND OTHER PAYABLES		
Current		
Creditors	2,446,403	407,571
Accruals	532,460	22,000
Other payables	610,264	37,571
Total Trade and Other Payables	**3,589,127**	**467,142**

Trade payables are non-interest bearing and usually settled within 45 days, as at 31 December 2015 payment arrangements had been agreed with major suppliers for the extension of payment terms to 31 January 2016. On the completion and effectuation of the DOCA, any unpaid liabilities at the date of the appointment of the Administrators, will be transferred to a Creditors Trust and will no longer be a liability of the Company.

NOTE: 13. PROVISIONS

Current		
Provision for annual leave	151,052	72,352
Provision for foreign tax	6,510,628	36,498
Provision for rehabilitation	137,024	100,000
Total Current Provisions	**6,798,704**	**208,850**
Non-current		
Provision for long service leave	-	3,343
Total Provisions	**6,798,704**	**212,193**
Movement in provisions:		
Opening balance	**212,193**	**50,521**
Provisions made during the year	6,601,126	229,479
Provisions used during the year	(14,615)	(67,807)
Closing balance	**6,798,704**	**212,193**

The provision for foreign tax relates to a provision raised to meet a capital gains tax (CGT) contingent liability in the event that the joint and several liability crystallises on the transfer of mining assets, imposed by the Mozambique Government. The provision recognised as at 31 December 2015 is US$4.75 million (AU$6,510,628). Refer to Note 19 for further details.

NOTE: 14. ISSUED CAPITAL

(a) Ordinary shares	**Number of Shares**		**$**	
	2015	**2014**	**2015**	**2014**
Ordinary shares, issued and fully paid	376,549,422	310,101,731	59,250,029	41,941,390

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 14. ISSUED CAPITAL (continued)

(b) Movements in ordinary shares issued

		Note	Number of Shares	Issue Price $	Total $
Balance 1 January 2014			**185,240,023**		**21,035,012**
07 Jan 2014	Private Placement		28,571,426	0.056	1,600,000
09 Jan 2014	Issue of Shares - Grafex	(a)	2,000,000	0.075	150,000
20 Feb 2014	Shares issued on exercise of options		1,500,000	0.05	75,000
26 Feb 2014	Shares issued on exercise of options		700,000	0.05	35,000
27 Mar 2014	Private Placement		27,665,454	0.11	3,043,200
29 Apr 2014	Shares issued on exercise of options		2,000,000	0.10	200,000
30 Apr 2014	Private Placement – Tranche 1		5,288,032	0.11	581,683
21 May 2014	Private Placement – Tranche 2		3,341,191	0.11	367,531
04 Jun 2014	Issue of shares – employees		950,000	0.135	128,250
05 Jun 2014	Shares issued on exercise of options		500,000	0.05	25,000
05 Jun 2014	Shares issued on exercise of options		100,000	0.10	10,000
16 Jun 2014	Shares issued on exercise of options		1,500,000	0.05	75,000
16 Jun 2014	Shares issued on exercise of options		1,339,257	0.10	133,926
18 Jun 2014	Shares issued on exercise of options		4,753,125	0.05	237,656
18 Jun 2014	Shares issued on exercise of options		1,339,357	0.10	133,936
23 Jun 2014	Shares issued on exercise of options		892,857	0.10	89,286
27 Jun 2014	Shares issued on exercise of options		3,446,875	0.05	172,344
02 Jul 2014	Shares issued on exercise of options		700,000	0.05	35,000
08 Jul 2014	Shares issued on exercise of options		900,000	0.05	45,000
09 Jul 2014	Shares issued on exercise of options		133,929	0.10	13,393
24 Jul 2014	Private Placement		17,000,000	0.50	8,500,000
28 Jul 2014	Shares issued on exercise of options		1,330,286	0.10	133,028
28 Jul 2014	Issue of Shares - Grafex	(b)	2,000,000	0.55	1,100,000
28 Jul 2014	Issue of Shares - Grafex	(c)	6,112,665	0.61	3,728,726
25 Aug 2014	Issue of Shares - Grafex	(c)	2,575,825	0.61	1,571,253
01 Sep 2014	Issue of shares to Directors		6,000,000	0.365	2,190,000
01 Sep 2014	Issue of shares to Consultants		100,000	0.365	36,500
01 Sep 2014	Issue of shares to employees		175,000	0.365	63,875
03 Sep 2014	Shares issued on exercise of options		1,500,000	0.10	150,000
30 Sep 2014	Shares issued on exercise of options		446,429	0.10	44,643
	Capital raising costs		-		(3,762,852)
Balance 31 December 2014			**310,101,731**		**41,941,390**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 14. ISSUED CAPITAL (continued)
(b) Movements in ordinary shares issued (continued)

		Note	Number of Shares	Issue Price $	Total $
Balance 1 January 2015			**310,101,731**		**41,941,390**
19 Jan 2015	Shares issued on exercise of options		319,643	0.10	31,964
30 Jan 2015	Shares issued on Equity Facility	(f)	541,125	0.185	100,000
19 Feb 2015	Issue of Shares - Grafex	(d)	7,661,877	0.167	1,281,066
16 Mar 2015	Private Placement		7,142,857	0.14	665,598
24 Mar 2015	Issue of Shares - Grafex	(e)	1,671,009	0.192	321,502
25 Mar 2015	Issue of Shares to Directors		2,565,000	0.10	256,500
26 Mar 2015	Issue of Shares to Directors		100,000	0.10	10,000
26 Mar 2015	Shares issued on exercise of options		60,070	0.20	12,014
26 Mar 2015	Issue of Shares to Consultants		192,957	0.192	37,125
27 Mar 2015	Shares issued on exercise of options		940,710	0.20	188,142
7 Apr 2015	Shares issued on exercise of options		799,738	0.20	159,948
8 Apr 2015	Shares issued on exercise of options		735,192	0.20	147,038
15 Apr 2015	Shares issued on exercise of options		196,427	0.20	39,285
28 Apr 2015	Shares issued on exercise of options		17,857	0.20	3,571
28 Apr 2015	Issue of Shares to Consultants		1,000,000	0.355	355,000
28 Apr 2015	Issue of Shares - Grafex	(e)	826,626	0.386	319,326
6 May 2015	Shares issued on exercise of options		107,142	0.20	21,428
18 May 2015	Private Placement		34,301,382	0.35	12,005,484
25 May 2015	Issue of Shares - Grafex	(e)	917,692	0.348	319,816
18 Jun 2015	Shares issued on exercise of options		17,857	0.20	3,571
18 Jun 2015	Issue of Shares to Directors		300,000	0.10	30,000
18 Jun 2015	Issue of Shares to Consultants		1,000,000	0.315	315,000
23 Jun 2015	Issue of Shares – Grafex	(e)	5,032,530	0.32	1,610,410
	Capital raising costs		-		(925,149)
Balance 31 December 2015			**376,549,422**		**59,250,029**

(a) During January 2014, the Company issued 2 million shares to the minority shareholders of Grafex as part consideration to earn a 60% interest in the Mozambique Graphite Project.
(b) On 28 July 2014, the Company issued 2 million shares to the minority shareholders of Grafex as final consideration to earn a 60% interest in the Mozambique Graphite Project.
(c) During July and August 2014, the Company issued a total of 8,688,490 shares and 5 million unlisted options to the minority shareholders of Grafex as consideration to earn an 80% interest in the Mozambique Graphite Project.
(d) On 19 Feb 2015 the Company issued a total of 7,661,877 shares to the minority shareholders as first payment as consideration to earn 90% interest in the Mozambique Graphite Project.
(e) The Company issued shares to the minority shareholders of Grafex, as consideration to earn 90% interest in the Mozambique Graphite Project, in March, April, May and June 2015.
(f) The Company issued 541,125 shares in January 2015 and 4,528,763 options in February 2015 to Long State Investments Limited (LSI) as consideration for the establishment fee on an Equity placement facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 14. ISSUED CAPITAL (continued)

(c) Movements in options

		Note	Number of Options	Exercise Price $	Expiry Date
Total 1 January 2014			**20,000,000**		
07 Jan 2014	Issue of options – Free attaching		14,285,713	0.10	13 Dec 2016
24 Jul 2014	Issue of options – Broker		5,000,000	1.00	23 Jul 2017
25 Aug 2014	Issue of options – Grafex	(c)	5,000,000	0.70	25 Aug 2017
Various	Conversion of options – Grafex		(10,000,000)	0.05	18 Dec 2015
Various	Conversion of options – Grafex		(4,000,000)	0.05	07 Mar 2016
Various	Conversion of options – Directors		(3,600,000)	0.10	18 Jun 2015
Various	Conversion of options – Free attaching		(5,482,113)	0.10	31 Dec 2016
Total 31 December 2014			**21,203,600**		
23 Feb 2015	Issue of options – LSI	(f)	4,548,763	0.275	23 Jan 2018
16 Mar 2015	Issue of options – Free attaching		3,571,428	0.20	16 Mar 2017
Various	Conversion of options- Director		(2,400,000)	0.10	18 Jun 2015
Various	Conversion of options – Free attaching		(884,643)	0.10	13 Dec 2016
Various	Conversion of options – Free attaching		(2,875,002)	0.20	16 Mar 2017
Total 31 December 2015			**23,164,146**		

(a) During January 2014, the Company issued 2 million shares to the minority shareholders of Grafex as part consideration to earn a 60% interest in the Mozambique Graphite Project.
(b) On 28 July 2014, the Company issued 2 million shares to the minority shareholders of Grafex as final consideration to earn a 60% interest in the Mozambique Graphite Project.
(c) During July and August 2014, the Company issued a total of 8,688,490 shares and 5 million unlisted options to the minority shareholders of Grafex as consideration to earn an 80% interest in the Mozambique Graphite Project.
(d) On 19 Feb 2015 the Company issued a total of 7,661,877 shares to the minority shareholders as first payment as consideration to earn 90% interest in the Mozambique Graphite Project.
(e) The Company issued shares to the minority shareholders of Grafex, as consideration to earn 90% interest in the Mozambique Graphite Project, in March, April, May and June 2015.
(f) The Company issued 541,125 shares in January 2015 and 4,528,763 options in February 2015 to Long State Investments Limited (LSI) as consideration for the establishment fee on an Equity placement facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 14. ISSUED CAPITAL (continued)

(c) Movement in performance rights

		Number of Performance Rights	Expiry Date
Total 1 January 2015		**15,000,000**	
22 Oct 2015	Grant of performance rights – Directors	7,500,000	20 Aug 2018
12 Nov 2015	Lapsed performance rights – Employee	(2,000,000)	20 Aug 2018
03 Dec 2015	Grant of performance rights – CEO	3,500,000	20 Aug 2018
31 Dec 2015	Lapsed performance rights – Director	(3,500,000)	20 Aug 2018
Total 31 December 2015		**20,500,000**	

- On the 22 October 2015, the Company granted 7.5 million performance rights to Directors as approved by shareholders at the general meeting held 22 October 2015 pursuant to the Company's new Employee Equity Plan approved at the same meeting. The performance rights were subsequently issued on 12 November 2015.
- On 12 November 2015, 2 million performance rights issued to employees lapsed without converting to shares.
- On the 3 December 2015 the Company granted 3.5 million performance rights to the Chief Executive Officer as part of his appointment. As at the date of this report the performance rights have not been issued.
- At 31 December 2015, 3.5 million performance rights issued to a Director lapsed without converting to shares following his resignation as a Director of the Company.

(d) Capital Management

The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. In January 2015, the Company entered into an equity placement facility of $20 million with Long State Investments Limited.

The working capital positions of the Group at 31 December 2014 and 31 December 2015 were as follows:

	2015 $	2014 $
Cash and cash equivalents	343,938	1,497,435
Trade and other receivables	544,592	50,762
Prepayments	57,709	29,312
Trade and other payables	(3,589,127)	(467,142)
Provisions (current)	(6,798,704)	(208,850)
Working Capital Position	**(9,441,592)**	**901,517**

The Group is not subject to any externally imposed capital requirements. As explained in Note 3(b) the Directors resolved to place the Company into voluntary administration and on 25 July 2016 a DOCA was executed by the Company and Administrators.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015 $	2014 $
NOTE: 15. RESERVES		
Available for sale reserve	5,742	30,085
Share based payments reserve	6,178,683	5,009,483
Total Reserves	**6,184,425**	**5,039,568**

The share based payment reserve comprises of the cost of shares and options. Refer to Note 22.

NOTE: 16. INCOME TAX EXPENSE

Income tax expense		
Current income tax expense	-	-
Under/(over) provision of prior year's tax	-	-
Deferred tax expense	-	-
Total income tax expense	**-**	**-**
Reconciliation between tax expense and pre-tax loss:		
Accounting loss before income tax	(12,748,684)	(4,997,855)
At the domestic income tax rate of 30%	(3,824,605)	(1,499,357)
- Expenditure not allowed for income tax purposes	2,148,572	934,624
- Change in unrecognised temporary differences	808,043	(118,193)
- Current year losses for which no deferred tax asset was recognised	867,990	682,926
Income tax expense reported in the statement of comprehensive income	**-**	**-**
Unrecognised deferred tax assets at 31 December		
Unused tax losses	17,610,571	16,414,461
Potential tax benefit @ 30%	5,283,171	4,924,338
Tax losses offset against tax liabilities	(1,302)	(276)
Unrecognised tax benefit	5,281,869	4,924,062

Potential deferred tax assets net of deferred tax liabilities attributable to tax losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable as at the date of this report.

The benefits of these tax losses will only be obtained if:

(i) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(ii) The conditions for deductibility imposed by tax legislation continue to be complied with; and
(iii) No changes in tax legislation adversely affect the Group in realising the benefit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 16. INCOME TAX EXPENSE (continued)

	2015 $	2014 $
Deferred income tax		
Statement of financial position		
Deferred income tax relates to the following:		
Deferred Tax Liabilities		
Exploration and evaluation assets	1,302	276
Available-for-sale financial assets	-	-
Foreign exchange reserve	-	-
Deferred Tax Assets		
Deferred tax assets used to offset deferred tax liabilities	(1,302)	(276)
	-	-

NOTE: 17. CONTROLLED ENTITIES

Subsidiaries of Triton Minerals Limited:	Country of Incorporation	Percentage Owned (%)	
		2015	2014
Triton Gold (Operations) Pty Ltd	Australia	100	100
Triton Gold (Project A) Pty Ltd*	Australia	100	100
Triton Gold (Grenville) Pty Ltd*	Australia	100	100
Triton United Limited	United Arab Emirates	100	100
Triton Asia Pte LTD	Hong Kong	100	-
Grafex Limitada	Mozambique	80	60

*Triton Gold (Project A) Pty Ltd and Triton Gold (Grenville) Pty Ltd are subsidiaries of Triton Gold (Operations) Pty Ltd.

Joint venture in which the Group is a venturer

On 21 November 2013, the Company moved from a 49% holding in the Projects to a majority 60% interest, by taking a direct 60% equity interest in Grafex, Triton became a joint venture investor in Grafex.

Pursuant to the Share Purchase Agreement with the shareholders of Grafex dated 21 November 2013, Triton paid US$100,000 in cash and issued 1 million shares to the shareholders of Grafex following the execution of the Agreement.

Triton has paid a further US$250,000 and issue 2 million shares within one (1) month of a successful completion of a capital placement of a minimum raising of $1 million or within 6 months of the date of execution. The payment of US$250,000 and issue of 2 million shares was made by 8 January 2014.

Within 12 months of that payment being made, Triton has paid a further US$200,000 and issue 2 million shares under the Agreement. The payment of US$200,000 and issue of 2 million shares was made on 28 July 2014. In addition, in order to include exploration licenses 5934 and 5966 into the Joint Venture, an addendum was executed between Triton and Grafex on 1 February 2013, that in the event of Triton confirming, by drilling, that graphite mineralisation exists on either of the two exploration licenses, Triton shall pay the shareholders of Grafex US$200,000 within six months of confirming the mineralisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 17. CONTROLLED ENTITIES (continued)

On 22 January 2014, the Company announced assayed results which confirmed graphite mineralisation on the Nicanda Hill prospect on exploration license 5966.

On 16 July 2014, the Company executed an agreement to acquire the remaining 40% equity interest in Grafex through payment in cash and shares totalling US$20 million. The payment is structured in two tranches, each for a 20% equity interest, through the cash payment of US$5 million and the issue of fully paid ordinary shares for the equivalent of US$5 million per tranche. As further consideration the shareholders of Grafex was issued with 5 million unlisted options exercisable at $0.70, expiring 25 August 2017. During July and August 2014, the Company made payment of US$5 million and issued 8,688,490 shares and 5 million options to the shareholders of Grafex and earned an 80% equity interest in Grafex. Pursuant to the agreement, Triton was able to provide the second tranche consideration within 6 months to earn a 100% equity interest.

Subsequent to the reporting date, on 27 January 2015, the Company announced that following discussions with its joint venture partner Grafex Lda, new terms had been agreed to extend, for a further 12 months, the timeline for the second Tranche payment of US$5 million in cash and US$5 million equivalent in Triton shares, to acquire the remaining 20% equity interest in Grafex Lda and all of the Mozambique graphite projects known as Balama North, Balama South and Ancuabe (the Projects).

During the year ended 31 December 2015, Triton made payments of US$2.2 million and issued 16,109,734 shares to the minority shareholders of Grafex for consideration totalling US$5,200,000 (AU$6,732,662) to acquire an additional 10% equity interest in Grafex, to increase the Group's interest in the Mozambique graphite projects to a 90% interest. Triton did not remit the remaining tranche of US$1,000,000 in consideration to secure the 90% interest by the payment deadline, 24 February 2016. In accordance with the terms and conditions of the share purchase agreements Triton's equity interest remains at 80% and the Company forfeits the consideration paid to earn the 90% equity interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 18. OPERATING SEGMENTS

Triton has identified its operating segments based on the internal reports that are used by the chief operating decision maker ("CODM") in order to allocate resources to the segment and to assess its performance. The CODM of the Group is the Board of Directors. The Group has identified its operating segments based on internal reports that are provided to the CODM on a regular basis.

Triton now operates in one principal location, Africa. During the year the company surrendered the one exploration project, Fraser Range North located in Western Australia. The Graphite projects are located in Mozambique, Africa.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

31 December 2015	Australia $	Africa $	Treasury $	Total $
Reconciliation of segment revenue to total revenue:				
Interest revenue	-	-	51,682	51,682
Other revenue	-	2,538	749	3,287
Segment Revenue	-	2,538	52,431	54,969
Total Revenue per Statement of Comprehensive Income				54,969
Reconciliation of segment loss to net loss before tax:				
Segment result	(68,743)	(24,948)	52,431	(41,261)
Corporate charges				(12,677,589)
Depreciation				(29,834)
Net Loss before Tax from Continuing Operations				(12,748,684)
Segment assets	-	39,492,626	1,087,280	40,579,907
Total group assets				40,579,907
Segment liabilities	-	9,190,672	1,197160	10,387,832
Total group liabilities				10,387,832

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 18. OPERATING SEGMENTS (continued)

31 December 2014	Australia $	Africa $	Treasury $	Total $
Reconciliation of segment revenue to total revenue:				
Interest revenue	-	-	63,249	63,249
Other revenue	-	-	5,328	5,328
Segment Revenue	-	-	68,577	68,577
Total Revenue per Statement of Comprehensive Income				68,577
Reconciliation of segment loss to net loss before tax:				
Segment result	-	(102,143)	68,577	(33,566)
Corporate charges				(4,922,993)
Depreciation				(41,296)
Net Loss before Tax from Continuing Operations				(4,997,855)
Segment assets	146,331	23,000,204	1,616,627	24,763,162
Total group assets				24,763,162
Segment liabilities	-	430,139	249,196	679,335
Total group liabilities				679,335

NOTE: 19. CONTINGENT ASSETS AND LIABILITIES

Mozambique Capital Gains Tax Contingent Liability

On 1 January 2015, a Mozambique capital gains tax regime applicable to the mining sector came into force. According to this regime, the tax in relation to a capital gain on the transfer of mining rights located in the Mozambique territory by non-residents is payable by the seller. In relation to this payment, the seller, the buyer or the entity holding the mining rights have joint and several liability for the payment of the tax in Mozambique.

There is some uncertainty as to whether the capital gains tax regime is applicable prior to 1 January 2015 and whether the buyer is joint and severally liable where the seller is an individual rather than a legal entity. Management are working with the Mozambique government, tax and legal advisers to determine the extent of the joint and several liability in relation to consideration paid for an interest in the Mozambique Graphite project prior to 2015. A tax provision of US$4.75 million (AU$6.5 million) has been recognised at 31 December 2015 for the consideration paid to earn an 80% interest Grafex Lda and the Mozambique Graphite project.

The primary obligation to pay the capital gains tax is the seller's, accordingly any capital gains tax paid by the minority shareholders of Grafex Lda (seller/s) will reduce the potential joint and several capital gains tax liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 19. CONTINGENT ASSETS AND LIABILITIES (continued)

Hubei Xincheng Triton Graphite Technologies Co Ltd

During the period, the Group considered it had a commitment to open and deposit US$1 million into a joint venture bank account of Hubei Xincheng Triton Graphite Technologies Co Ltd by 13 November 2015 pursuant to the joint venture agreement with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd (YXGC) to develop and produce graphite enhanced products in China, as announced on 14 May 2015. To date, Triton has not remitted the payment of US$1 million.

The joint venture entity, Hubei Xincheng Triton Graphite Technologies Co Ltd, was incorporated on 28 September 2015 and with registered capital of RMB 110 million (approx. AU$23 million) of which, representing a 49% equity interest in the joint venture entity, Triton may provide RMB 53,900,000 (approx. AU$11.4 million) by monetary capital, tangible or intangible assets, land use rights. The period and number of payments in relation to the 49% registered capital contribution is determined by the registered joint venture contract and Articles of Association of the entity. To date a registered joint venture contract and Articles of Association of the entity has not been agreed or provided to Triton. A provision for to the registered capital for the joint venture entity has not been recognised as the joint venture parties did not meet their commitments to contribute capital during the period .The Company expects that the 49% equity interest will be cancelled or transferred to another party.

Following the appointment of the Administrators on 2 March 2016, the Administrators formed the view that the arrangements with YXGC are not sufficiently certain on a number of terms to be legally binding on the Company, including any claim for damages that may arise following termination. On 21 March 2016, YXGC wrote to the Company terminating both the agreements and making a claim for US$1 million. The Administrators have not accepted their claim for damages in the amount of US$1 million as each agreement excludes liability for “consequential, incidental…or indirect damages”. YXGC have been advised of the rejection of any claim against the Company. The Administrators consider that YXGC has no valid claim against the Company. In the event that a liability or claim does crystallise all creditors’ claims against the Company (except any excluded claims) are extinguished and the claim is transferred to the Creditors Trust.

	2015 $	2014 $
NOTE: 20. COMMITMENTS FOR EXPENDITURE		
(a) Operating Lease Commitments		
Payable – minimum lease payments:		
Not longer than one year	166,417	74,645
Longer than one year, but not longer than five years	186,319	39,188
Longer than five years	-	-
Total	**352,736**	**186,293**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Exploration Expenditure Commitments

In order to maintain the current rights of tenure to mining tenements, the Company has the following exploration expenditure requirements up until the expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows.

	2015 $	2014 $
Not longer than one year	-	363,000
Longer than one year, but not longer than five years (i)	363,667	1,029,917
Longer than five years	-	-
Total	**363,667**	**1,392,917**

(i) The minimum exploration expenditure commitment of US$280,000 (AU$363,667) relates to the Mozambique Graphite Project for which Triton has a joint venture agreement, under which Triton is responsible for meeting the minimum exploration expenditure commitment of US$140,000 per license. 2 licenses had not yet met the minimum expenditure at Reporting date.

If the Company decides to relinquish certain leases and/or does not meet the obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish the above obligations.

(c) Other Commitments

During the period, the Group had a commitment to open and deposit US$1 million into a joint venture bank account of Hubei Xincheng Triton Graphite Technologies Co Ltd by 13 November 2015 pursuant to the joint venture agreement with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd (YXGC) to develop and produce graphite enhanced products in China, as announced on 14 May 2015. To date, Triton has not remitted the payment of US$1 million. Following the appointment of the Administrators, on 21 March 2016, YXGC wrote to the Company terminating the joint venture agreement.

NOTE: 21. EARNINGS PER SHARE (EPS)

(a) Basic and Diluted loss per share	**2015 Cents**	**2014 Cents**
Loss attributable to ordinary equity holders of the Group	(3.59)	(1.86)

(b) Reconciliation of earnings to loss	**2015 $**	**2014 $**
Net loss attributable to ordinary equity holders	(12,748,684)	(4,997,855)
Earnings used to calculate basic EPS	**(12,748,684)**	**(4,997,855)**

(c) Weighted average number of ordinary shares outstanding during the year used to calculate basic EPS	**2015**	**2014**
	355,254,604	**269,049,660**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 22. SHARE-BASED PAYMENTS

(a) Share-based payments

	2015 $	2014 $
Share-based payments expense	1,336,752	2,694,762
Share-based payments capitalised	2,950,316	11,194,892
Total share-based payments	**4,287,068**	**13,889,654**

Schedule of share-based payments

Shares

9 Jan 2014 – 2 million shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	150,000
4 Jun 2014 – 950,000 shares issued to employees & consultants	-	128,250
28 Jul 2014 – 2 million shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	1,100,000
28 Jul 2014 – 6,112,665 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	3,728,726
25 Aug 2014 – 2,575,825 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	1,571,253
1 Sep 2014 – 6 million shares issued to Directors as approved by shareholders on 20 August 2014.	-	2,190,000
1 Sep 2014 – 100,000 shares issued to a consultant for geological services	-	36,500
1 Sep 2014 – 75,000 shares issued to employees pursuant to the Company's Incentive Plan	-	63,875
30 Jan 2015 – 541,125 shares issued as part consideration to Long State Investments Ltd in consideration for Equity placement facility	100,000	-
19 Feb 2015 – 7,661,877 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	1,281,065	-
24 Mar 2015 – 1,671,009 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	321,502	-
26 Mar 2015 – 100,000 shares issued to a consultant for services	37,125	-
28 Apr 2015 – 1,000,000 shares issued to a consultant for services	355,000	-
28 Apr 2015 – 826,626 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	319,325	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 22. SHARE-BASED PAYMENTS (continued)

	2015 $	2014 $
25 May 2015 – 917,692 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	319,825	-
18 Jun 2015– 1,000,000 shares issued to a consultant for services	315,000	-
Total allocated against Issued Capital	**3,048,832**	**8,968,604**
Options		
7 Jan 2014 – 14,285,713 unlisted options granted to participants who were entitled to one free attaching option for every two shares acquired in a placement	-	-
24 Jul 2014 – 5 million unlisted options issued to GMP securities for broking and capital raising management services	-	2,991,297
25 Aug 2014 – 5 million unlisted options issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	1,617,116
23 Feb 2015 – 4,548,763 options issued to Long State Investments Ltd as consideration for Equity placement facility.	608,609	-
Subtotal allocated against Share Based Payment Reserve	**608,609**	**4,608,413**
Performance Rights		
1 Sep 2014 – 9 million performance rights issued to Directors as approved by shareholders on 20 August 2014	298,227	199,317
1 Sep 2014 – 6 million performance rights issued to employees pursuant to the Company's Incentive Plan	218,378	113,320
22 Oct 2015 – 7.5 million performance rights issued to Directors as approved by shareholders on 22 October 2015	99,146	-
3 Dec 2015 – 3.5 million performance rights issued to CEO on appointment	13,876	-
Subtotal allocated against Share Based Payment Reserve	**629,627**	**312,637**
Closing balance	**4,287,068**	**13,889,654**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 22. SHARE-BASED PAYMENTS (continued)

(b) Options

The following table details the number, weighted average exercise prices (WAEP) and movements in share options issued as capital raising purposes, employment incentives or as payments to third parties for services during the year.

	2015 Number	2015 WAEP
Outstanding at the beginning of the year	21,203,600	$0.454
Granted during the year	8,120,191	$0.085
Converted/expired during the year	(6,159,645)	$0.147
Outstanding at the end of the year	23,164,146	$0.461

(c) Options exercisable at reporting date

	2015 Number	Exercise price
Unlisted options expiring 31 Dec 2016	7,918,957	$0.10
Unlisted options expiring 23 Jul 2017	5,000,000	$1.00
Unlisted options expiring 25 Aug 2017	5,000,000	$0.70
Unlisted options expiring 23 Jan 2018	4,548,763	$0.28
Unlisted options expiring 16 Mar 2017	696,426	$0.20
Exercisable at reporting date	23,164,146	

(d) Options issued during 2015

The maximum terms of options granted for services during the year are as follows:

- 4,548,763 Unlisted options granted to Long State Investments Ltd as consideration for entering into the Equity Placement Facility for up to A$20 million. The options were issued on the 23 January 2015 expiring 23 January 2018 and exercisable at $0.2748 and no vesting conditions.

- 3,571,428 Unlisted options granted to participants who were entitled to one option for every two shares acquired in a placement that raised $1 million (excluding costs) – issued on the 16 March 2015 expiring 16 March 2017 and exercisable at $0.20 and no vesting conditions.

The options must be exercised on or before the expiry date in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 22. SHARE-BASED PAYMENTS (continued)

Unlisted Options
The fair value of the 8,120,191 equity settled share options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 31 December 2015.

	Long State Investments Ltd Options	16 March 2015 Placement Options
Fair value at grant date	$0.134	$0.094
Share price at grant date	$0.175	$0.140
Exercise price	$0.2748	$0.200
Expected volatility	149%	152%
Expected life	3 years	2 years
Expected dividends	Nil	Nil
Risk-free interest rate	2.09%	1.83%
Number of options issued	4,548,763	3,571,428
Valuation	$608,609	$334,402

The total value of these options was $943,011 at the date that they were granted.

Listed Options
No listed options were issued during the year ended 31 December 2015.

(e) Options lapsed during 2015

During 2015, 9 unlisted options expired.

(f) Performance rights

The following table details the number and movements of performance rights issued as employment incentives during the year.

	2015 Number	2014 Number
Outstanding at the beginning of the year	15,000,000	-
Granted during the year	11,000,000	15,000,000
Converted/expired during the year	(5,500,000)	-
Outstanding at the end of the year	**20,500,000**	**15,000,000**

During 2015 the Company made the following issues:

- 7.5 million performance rights issued to Directors as approved by shareholders at the general meeting held 22 October 2015 pursuant to the Company's New Employee Equity Plan approved at the same meeting; and
- 3.5 million performance rights were granted on the 3 December 2015 to the CEO on his appointment to the Company.
- 5.5 million performance rights have lapsed during the year due to cessation of employment with the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 22. SHARE-BASED PAYMENTS (continued)

(g) Performance rights valuation 2015

The fair value of the 11,000,000 performance rights granted are valued on the date of grant using a model taking into account the terms and conditions upon which the performance rights were granted. The following table lists the inputs to the model used for the year ended 31 December 2015 and the category of the lapsed Performance rights.

Key Management Personnel	Performance Rights Granted	Grant Date	Issue Date	Amortisation Date	Expiry Date	Share Price at Grant Date	Vesting Condition 5 Day VWAP	Fair Value per Performance Right	Total value of Performance Rights	Share-Based Payments		Vested Number of Rights	% Rights Vested
										During the year	Not yet recognised		
Director Rights-Tranche A	1,600,000	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.40	$0.1746	$279,376	$29,275	$250,101	-	0%
Director Rights Tranche B	1,700,000	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.60	$0.1441	$245,004	$25,674	$219,330	-	0%
Director Rights – Tranche C	1,700,000	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.75	$0.1263	$214,761	$22,505	$192,256	-	0%
Director Rights Tranche D	2,500,000	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	$0.1035	$207,020	$21,692	$185,328	-	0%
Employee Rights Tranche A	1,000,000	3-Dec-15	13-Jan-16	03-Dec-17	20-Aug-18	$0.088	$0.20	$0.1248	$124,800	$4,780	$120,020	-	0%
Employee Rights Tranche B	1,000,000	3-Dec-15	13-Jan-16	03-Dec-17	20-Aug-18	$0.088	$0.30	$0.1063	$106,300	$4,072	$102,228	-	0%
Employee Rights Tranche C	1,000,000	3-Dec-15	13-Jan-16	03-Dec-17	20-Aug-18	$0.088	$0.40	$0.0914	$91,400	$3,501	$87,899	-	0%
Employee Rights Tranche D	500,000	3-Dec-15	13-Jan-16	03-Dec-17	20-Aug-18	$0.088	$0.50	$0.0795	$39,750	$1,523	$38,227	-	0%
Lapsed Director Rights 2014	(3,000,000)	20-Aug-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.365	-	-	-	-	-	-	0%
Lapsed Employee Rights 2014	(2,000,000)	29-May-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.135	-	-	-	-	-	-	0%
Lapsed Director Rights Tranche D	(500,000)	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	-	-	-	-	-	0%
Total	**5,500,000**								**$1,308,411**	**$113,022**	**$1,195,389**	**-**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 22. SHARE-BASED PAYMENTS (continued)

The Director Performance Rights granted on the 22 October 2015, upon vesting, entitles the holder to acquire one fully paid ordinary share for nil consideration. The performance rights will expire, if unvested, on 20 August 2018. The performance rights vesting conditions are as follows:

- minimum vesting term of 22 months from grant date, being 20 August 2017 (Minimum Vesting Period);
- Tranche A - the rights will vest upon the share process reaching a 5-day VWAP of at least $0.40 per share.
- Tranche B - the rights will vest upon the share process reaching a 5-day VWAP of at least $0.60 per share.
- Tranche C - the rights will vest upon the share process reaching a 5-day VWAP of at least $0.75 per share.
- Tranche D - the rights will vest upon the share process reaching a 5-day VWAP of at least $1.00 per share.

The Employee Performance Rights granted on the 3 December 2015, upon vesting, entitles the holder to acquire one fully paid ordinary share for nil consideration. The performance rights will expire, if unvested, on 20 August 2018. The performance rights vesting conditions are as follows:

- minimum vesting term of 20 months from grant date, being 20 August 2017 (Minimum Vesting Period);
- Tranche A - the rights will vest upon the share process reaching a 5-day VWAP of at least $0.20 per share.
- Tranche B - the rights will vest upon the share process reaching a 5-day VWAP of at least $0.30 per share.
- Tranche C - the rights will vest upon the share process reaching a 5-day VWAP of at least $0.40 per share.
- Tranche D - the rights will vest upon the share process reaching a 5-day VWAP of at least $0.50 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 22. SHARE-BASED PAYMENTS (continued)

(h) Performance rights valuation 2014

The fair value of the 15,000,000 performance rights granted are valued on the date of grant using a model taking into account the terms and conditions upon which the performance rights were granted. The following table lists the inputs to the model used for the year ended 31 December 2014.

Key Management Personnel	Performance Rights Granted	Grant Date	Issue Date	Amortisation Date	Expiry Date	Share Price at Grant Date	Vesting Probability	Fair Value per Performance Right	Total value of Performance Rights	Share-Based Payments		Vested Number of Rights	% Rights Vested
										During the year	Not yet recognised		
Director Rights	9,000,000	20-Aug-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.365	50%	$0.1825	$1,642,500	$199,317	$1,443,183	-	0%
Employee Rights	2,000,000	29-May-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.135	50%	$0.0675	$135,000	$24,734	$110,266	-	0%
Employee Rights	4,000,000	20-Aug-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.365	50%	$0.1825	$730,000	$88,586	$641,414	-	0%
Total	**15,000,000**								**$2,507,500**	**$312,637**	**$2,194,863**	**-**	

Each performance right, upon vesting, entitles the holder to acquire one fully paid ordinary share for nil consideration. The performance rights will expire, if unvested, on 20 August 2018. The performance rights vesting conditions are as follows:

- minimum vesting term of 36 months from grant date, being 20 August 2017 (Minimum Vesting Period);
- if an announcement is made to the market by the Company confirming a minimum of an inferred resource or higher at the Company's Balama North project of at least 0.5b tonnes of graphite bearing ore – 6,000,000 performance rights will vest, upon satisfaction of the Minimum Vesting Period; and
- if an announcement is made to the market by the Company confirming that a pre–feasibility or other feasibility study will be undertaken within the Company's Balama North project – 6,000,000 director performance rights will vest and 3,000,000 employee performance rights will vest, upon satisfaction of the Minimum Vesting Period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2015 $	2014 $
NOTE: 23.CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operating Activities with Loss after Income Tax		
Loss after income tax	(12,748,684)	(4,997,855)
Non-cash flows in loss		
- Net loss on disposal of fixed assets	(3,880)	4,399
- Revaluation of investment in listed entity	75,656	30,085
- Depreciation	29,834	41,296
- Share based payments expense	1,336,752	2,694,762
- Reclassification of cash flows from investing activities	(460,283)	2,143
- Impairment of exploration and evaluation expenditure	68,743	-
- Gain on foreign exchange	(115,657)	(99,588)
- Investment in associate expensed	6,732,662	-
Changes in assets & liabilities:		
- (Increase)/decrease in trade and other receivables	(454,915)	9,531
- (Increase)/decrease in other current assets	(76,275)	(34,734)
- (Decrease)/increase in payables	1,116,093	(10,314)
- (Decrease)/increase in provisions	75,358	161,672
Cash Flow from Operating Activities	**(4,424,586)**	**(2,198,603)**

NOTE: 24. RELATED PARTY TRANSACTIONS

a) Loans and investments in subsidiaries

Loans are made by the parent entity to wholly owned subsidiaries to fund exploration activities. Loans outstanding between the Company and its subsidiaries are non-interest bearing, unsecured, and are repayable upon notice having regard to the financial stability of the Company. The Company made the following provisions for non-recoverability of these loans and investments:

	2015 $	2014 $
Investments in subsidiaries	3,220	3,036
Provision for loss on investments	(100)	(100)
Net recoverable investment	**3,120**	**2,936**
Loans to subsidiaries	15,755,881	15,807,605
Provision for loss on intercompany loans	(15,741,978)	(15,645,045)
Net recoverable loan	**13,903**	**162,560**

The provisions for non-recovery of these loans and investments have been based on the subsidiaries' net asset positions, where applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 24. RELATED PARTY TRANSACTIONS (Continued)

b) Transactions with other related parties	2015 $	2014 $
Geological services	-	67,250
	-	**67,250**

During the previous year , prior to Mr Alfred Gillman's appointment as Technical Director, Mr Gillman was engaged to provide professional geological services to the Company through his consulting entity, Odessa Resources Pty Ltd, for which his entity received fees of $67,250.

NOTE: 25. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

Names and positions held of parent entity Directors in office at any time during the financial year are:

Directors	Position	Appointment	Resignation
Mr Christopher Catlow	Non-Executive Chairman	5 June 2015	22 July 2016
Mr Bradley Boyle	Managing Director & Chief Executive Officer Company Secretary	27 April 2012 1 September 2009	1 December 2015 11 July 2014
Mr Alfred Gillman	Non-Executive Director Technical Director	27 September 2012 23 August 2014	22 July 2016
Mr Alan Jenks	Non- Executive Director Non-Executive Chairman	5 June 2015 28 January 2014	10 February 2016

(b) Other Key management personnel

Names and positions held of Key Management Personnel (KMP) in office at any time during the financial year are:

Other Key Management Personnel	Position	Appointment	Resignation
Mr Garth Higgo (i)	Chief Executive Officer	4 December 2015	-
Ms Paige Exley	Chief Financial Officer & Joint Company Secretary	01 August 2013 11 July 2014	-
Mr Michael Brady	General Counsel & Joint Company Secretary	05 May 2014	2 October 2015

(i) Mr Higgo was appointed Managing Director on 28 January 2016

(c) Key management personnel compensation

	2015 $	2014 $
Short term employee benefits	1,265,283	921,278
Share-based payments	599,244	2,573,844
Termination payments	659,029	-
Post-employment benefits	102,466	69,439
	2,626,022	**3,564,561**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 25. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(d) Shareholdings of Key Management Personnel

The number of ordinary shares in Triton Minerals Ltd held by each KMP of the Group during the financial year is as follows:

Ordinary Shares	Balance at the beginning of the year	Received during the year as compensation	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors					
Mr Christopher Catlow(i)	-	-	-	142,857	142,857
Mr Alan Jenks	35,825,072	-	-	565,000	36,390,072
Mr Bradley Boyle(ii)	5,413,038	-	400,000	(5,813,038)	-
Mr Alfred Gillman	2,100,000	-	2,000,000	-	4,100,000
Ms Paula Ferreira(iii)	-	-	-	-	-
Sub-total	43,338,110	-	2,400,000	(5,105,181)	40,632,929
Other Key Management Personnel					
Mr Garth Higgo (iv)	-	-	-	-	-
Mr Michael Brady (v)	352,317	-	-	-	352,317
Ms Paige Exley	300,000	-	-	-	300,000
Total	43,990,427	-	2,400,000	(5,105,181)	41,285,246

(i) Mr Catlow was appointed Chairman on 5 June 2015.
(ii) Mr Boyle ceased his role of Managing Director and Chief Executive Officer on 1 December 2015.
(iii) Ms Ferreira was appointed as a Non-Executive Director on 24 August 2015.
(iv) Mr Higgo was appointed Chief Executive Officer on 4 December 2015
(v) Mr Brady ceased his role as Joint Company Secretary on 2 October 2015

(e) Option holdings of Key Management Personnel

Options	Balance at the beginning of the year	Received during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
Directors					
Mr Christopher Catlow(i)	-	-	-	-	-
Mr Alan Jenks	2,442,500	-	(565,000)	-	1,877,500
Mr Bradley Boyle (ii)	400,000	-	(400,000)	-	-
Mr Alfred Gillman	2,000,000	-	(2,000,000)	-	-
Ms Paula Ferreira (iii)	-	-	-	-	-
Sub-total	4,842,500		(2,965,000)	-	1,877,500
Other Key Management Personnel					
Mr Garth Higgo (iv)	-	-	-	-	-
Mr Michael Brady (v)	-	-	-	-	-
Ms Paige Exley	-	-	-	-	-
Total	4,842,500		(2,965,000)	-	1,877,500

(i) Mr Catlow was appointed Chairman on 5 June 2015.
(ii) Mr Boyle ceased his role of Managing Director and Chief Executive Officer on 1 December 2015.
(iii) Ms Ferreira was appointed as a Non-Executive Director on 24 August 2015.
(iv) Mr Higgo was appointed Chief Executive Officer on 4 December 2015.
(v) Mr Brady ceased his role as Joint Company Secretary on 2 October 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 25. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(e) Performance rights holdings of Key Management Personnel

Performance rights	Balance at the beginning of the year	Received during the year as compensation	Converted to shares during the year	Other changes during the year	Balance at the end of the year
Directors					
Mr Christopher Catlow(i)	-	3,500,000	-	-	3,500,000
Mr Alan Jenks	3,000,000	500,000	-	-	3,500,000
Mr Bradley Boyle (ii)	3,000,000	500,000	-	(3,500,000)	-
Mr Alfred Gillman	3,000,000	500,000	-	-	3,500,000
Ms Paula Ferreira (iii)	-	2,500,000	-	-	2,500,000
Sub-total	9,000,000	7,500,000	-	(3,500,000)	13,000,000
Other Key Management Personnel					
Mr Garth Higgo (iv)	-	3,500,000	-		3,500,000
Mr Michael Brady (v)	2,000,000		-	(2,000,000)	-
Ms Paige Exley	2,000,000		-	-	2,000,000
Total	13,000,000	11,000,000	-	(5,500,000)	18,500,000

(i) Mr Catlow was appointed Chairman on 5 June 2015.
(ii) Mr Boyle ceased his role of Managing Director and Chief Executive Officer on 1 December 2015.
(iii) Ms Ferreira was appointed Non-Executive Director on 24 August 2015.
(iv) Mr Higgo was appointed Chief Executive Officer on 4 December 2015.
(v) Mr Brady ceased his role as Joint Company Secretary on 2 October 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 26. FINANCIAL RISK MANAGEMENT

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term in nature and their carrying values equate to their fair values.

31 December 2015	Carrying amount				Fair value			
	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Equity securities	-	86,996	-	86,996	86,996	-	-	86,996
	-	**86,996**	**-**	**86,996**	**86,996**	**-**	**-**	**86,996**
Financial assets not measured at fair value								
Trade and other receivables	544,592	-	-	544,592				
Cash and cash equivalents	343,938	-	-	343,938				
	888,530	**-**	**-**	**888,530**				
Financial liabilities measured at fair value								
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Trade payables	-	-	3,589,127	3,589,127				
	-	**-**	**3,589,127**	**3,589,127**				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 26. FINANCIAL RISK MANAGEMENT (continued)

31 December 2014	Carrying amount				Fair value			
	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Equity securities	-	39,118	-	39,118	39,118	-	-	39,118
	-	**39,118**	**-**	**39,118**	**39,118**	**-**	**-**	**39,118**
Financial assets not measured at fair value								
Trade and other receivables	50,762	-	-	50,762				
Cash and cash equivalents	1,497,435	-	-	1,497,435				
	1,548,197	**-**	**-**	**1,548,197**				
Financial liabilities measured at fair value								
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Trade payables	-	-	467,142	467,142				
	-	**-**	**467,142**	**467,142**				

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 26. FINANCIAL RISK MANAGEMENT (continued)

Financial Risk Management Policies

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including interest rate risk, equity price risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell products and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and the Company has a formal risk management policy has been adopted.

(a) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

	2015			2014		
	Floating Interest Rate	Non-interest bearing	2015 Total	Floating Interest Rate	Non-interest bearing	2014 Total
	$	$	$	$	$	$
Financial Assets						
Cash and cash equivalents	343,938	-	343,938	1,497,435	-	1,497,435
Trade and other receivables	-	602,301	602,301	-	80,074	80,074
Other financial assets	-	86,996	86,996	-	39,118	39,118
Total Financial Assets	343,938	689,297	1,033,235	1,497,435	119,192	1,616,627
Financial Liabilities						
Financial liabilities at amortised cost						
-Trade and other payables	-	3,589,127	3,589,127	-	467,142	467,142
-Other current liabilities	-	-	-	-	-	-
Total Financial Liabilities	-	3,589,127	3,589,127	-	467,142	467,142
Net Financial Assets	343,938	(2,899,830)	(2,555,892)	1,497,435	(347,950)	1,149,485

Interest rate risk is not material to the Group as no debt arrangements have been entered into.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 26. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's equity and profit or loss by $3,439 (2014: $14,974).

(ii) Equity Price risk
The Group is currently exposed to equity securities by way of shares held in listed companies.

The price risk for listed securities is immaterial in terms of the possible impact on profit or loss or total equity as a result of a 10% increase/decrease in the price of traded securities.

(iii) Commodity Price risk
The Group is not currently exposed to commodity price risk.

(iv) Foreign currency risk
Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument to fluctuate due to the movement in the foreign exchange rates of currencies in which the Group holds financial instruments which are other than Australian dollar.

With instruments being held by overseas operations, fluctuations in currencies may impact on the Group's financial results. Since the Group has not yet commenced mining operations, the exposure is limited to short-term liabilities for expenses which are payable in foreign currencies. The Group limits its foreign currency risk by limiting funds held in overseas bank accounts and paying its creditors promptly. However, the Board continues to review this exposure regularly.

(b) Credit risk

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from bank balances and trade and other receivables. The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2015	**2014**
	$	**$**
Cash and cash equivalents	343,938	1,497,435
Trade and other receivables	544,592	50,762
	888,530	**1,548,197**

All exposure to credit risk for loans and receivables at the reporting date by geographic region was limited to Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 26 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Impairment losses

The ageing of loans and receivables at the reporting date was:

	Gross 2015 $	Impairment 2015 $	Gross 2014 $	Impairment 2014 $
Not past due	-	-	-	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
More than one year	-	-	-	-
	-	**-**	**-**	**-**

During the year the Group did not impair loans and receivables (2014: Nil).

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions. Subsequent to the end of the period, the Company entered into a $20 million equity placement facility with LSI as per the terms and conditions of the ASX announcement on 27 January 2015.

Subsequently following the appointment of the Administrators on 2 March 2016, the LSI Facility was terminated in accordance with the terms of the agreement. For further details refer to Note 2(a).

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

(f) Capital risk management

Refer to Note 14(d) of this financial report for details regarding the Group's capital risk management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 27. PARENT ENTITY DISCLOSURES

(a) Financial Position of Triton Minerals Limited		2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents		343,458	1,463,314
Trade and other receivables		462,719	50,011
Prepayments		57,709	29,312
Total Current Assets		**863,886**	**1,542,637**
Non-Current Assets			
Financial assets		72,222	-
Loans to subsidiaries	(b)	636,404	160,193
Investment in subsidiaries	(b)	3,120	2,936
Property, plant and equipment		90,436	61,604
Exploration and evaluation assets		16,522,451	7,162,785
Equity-accounted investees		22,333,391	15,822,762
Total Non-Current Assets		**39,658,024**	**23,210,280**
TOTAL ASSETS		**40,521,910**	**24,752,917**
LIABILITIES			
Current Liabilities			
Trade and other payables		3,507,254	467,141
Provisions		6,798,704	208,850
Total Current Liabilities		**10,305,958**	**675,991**
Non-Current Liabilities			
Provisions		-	3,343
Total Non-Current Liabilities		**-**	**3,343**
TOTAL LIABILITIES		**10,305,958**	**679,334**
NET ASSETS		**30,215,952**	**24,073,583**
EQUITY			
Issued capital		59,250,029	41,941,390
Reserves		6,178,683	5,009,483
Accumulated losses		(35,212,760)	(22,877,290)
TOTAL EQUITY		**30,215,952**	**24,073,583**

The reported value of the net assets of the Company exceed those of the Group by $7,333,923. Based on the valuation of the Company's interests in Mozambique referred to in Note 11, Management have not impaired the carrying value of the Company's assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 27. PARENT ENTITY DISCLOSURES (continued)

(b) Loans to Subsidiaries and Financial Assets

Loans are made by the parent entity to its wholly-owned subsidiaries to fund exploration activities. Loans outstanding between the Company and its subsidiaries are non-interest bearing, unsecured, and are repayable upon notice having regard to the financial stability of the Company.

Investments in subsidiaries are accounted for at cost.

	2015	2014
	$	$
Loans to subsidiaries and associates	16,378,383	15,805,238
Provision for loss on intercompany loans	(15,741,978)	(15,645,045)
Net loans to subsidiaries	636,404	160,193
Investments in subsidiaries and associates	3,220	3,036
Provision for loss on investments	(100)	(100)
Financial assets	3,120	2,936

The provisions have been based on the subsidiaries' net asset positions and reflect the recoverability of the investments and/or loans.

	2015	2014
	$	$
(c) Financial Performance of Triton Minerals Ltd		
Loss for the year	(12,738,906)	(4,904,636)
Other comprehensive income	-	-
Total Comprehensive Income	(12,738,906)	(4,904,636)

(d) Guarantees entered into by Triton Minerals Ltd for the debts of its subsidiaries

There were no guarantees entered into by Triton Minerals Ltd for the debts of its subsidiaries as at 31 December 2015 (2014: Nil).

(e) Contingent liabilities of Triton Minerals Ltd

The contingent liabilities of the Group detailed in Note 19 are in the name of Triton Minerals Ltd.

(f) Commitments of Triton Minerals Ltd

The exploration expenditure commitments and operating lease commitments of the Group detailed in Note 20 are in the name of Triton Minerals Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 28. AUDITOR'S REMUNERATION

Details of the amounts paid to the auditor of the Group, Nexia Perth Audit Services Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out below.

	2015 $	2014 $
Audit Services		
Audit and review of financial reports (Nexia Perth Audit Services Pty Ltd)	35,529	33,684
Other Services		
Accounting and taxation advice (Nexia Perth Pty Ltd)	25,045	3,780
Other Services		
Accounting and taxation advice Overseas Practices of Nexia (Nexia TS Advisory Pte Ltd)	19,147	-

NOTE: 29. EVENTS AFTER THE BALANCE SHEET DATE

During January 2016, the Company completed a pro rata non-renounceable entitlement offer of one (1) fully paid ordinary share for every three (3) fully paid ordinary shares (Shares) held by eligible shareholders on 30 December 2015 at an issue price of $0.09 per share to raise up to $11,296,483 (before costs), with one (1) free attaching option for every two (2) Shares subscribed for under the offer (Options) (Entitlement Offer). The Entitlement Offer was partially underwritten up to $4 million by GMP Securities Australia Pty Limited.

Triton raised $4 million via the Entitlement Offer through the issue of 44,444,444 Shares and 22,222,306 Options.

On 28 January 2016 Mr Rodney Baxter was appointed Non-Executive Director and Mr Garth Higgo was appointed Managing Director and Chief Executive Officer.

On 1 February 2016 Mr Patrick Ellis was appointed Chief Operating Officer and Mr Richard Jarvis was appointed Chief Financial Officer.

On 2 February 2016 Mr Garth Higgo's Executive Service agreement was finalised. A further 2 million performance rights were granted in addition to the 3.5 million on his appointment on 4 December 2015. The total 5.5 million performance rights, which vest on 20 August 2017, dependent on the following vesting conditions being met or waived by the Company on or prior to vesting date;

- Continuous employment or engagement by the company up to the satisfaction of the vesting conditions;
- Tranche A – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.20 per share – 1,500,000 rights will vest
- Tranche B- the rights will vest upon the share process reaching a 5-day VWAP of at least $0.30 per share- 1,500,000 rights will vest
- Tranche C – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.40 per share- 1,500,000 rights will vest
- Tranche D – the rights will vest upon the share process reaching a 5-day VWAP of at least $0.50 per share- 1,500,000 rights will vest

The issue of these reporting rights is subject to shareholder approval at the AGM, at the date of this report these rights have not yet been issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 29. EVENTS AFTER THE BALANCE SHEET DATE (continued)

On 10 February 2016 Mr Rodney Baxter and Mr Alan Jenks resigned as Non-Executive Directors of the Company.

On 2 March 2016, the Directors resolved to place the Company into voluntary administration and appointed Messrs Martin Jones, Andrew Smith and Dermott McVeigh of Ferrier Hodgson as joint and several administrators of the Company (together, the "Administrators") pursuant to section 436A of the Corporations Act.

On 3 March 2016, the Company's securities were suspended from trading on the official list of ASX. Following appointment of the Administrators, the powers of the Company's officers (including Directors) were suspended and the Administrators assumed control of the Company's business, property and affairs.

On 30 April 2016, the Chief Financial Officer, Mr Richard Jarvis and Technical Director, Mr Alfred Gillman ceased their executive roles with the Company.

On 17 May 2016, the Company announced maiden inferred mineral resources at Nicanda West and Ancuabe project sites.

On 3 June 2016, Mr Garth Higgo's Executive Service agreement for the role of Chief Executive Officer was terminated with one month of notice.

On 1 July 2016, the Administrators provided their report to creditors pursuant to section 439A(4)(a) of the Corporations Act 2001. On 5 July 2016, the Administrators provided a supplementary report to creditors. The key matters of the reports were:

- The Administrators' recommendation that the Joint Deed of Company Arrangement (DOCA) Proposal be adopted by creditors. The proposal comprises:
    - Phase 1: Subscription to Minjar Gold Pty Ltd (or its nominee) of 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 (Placement) following shareholder approval, together with 25,000,000 free options to acquire shares in the Company (each having an exercise price of $0.10 each and an expiry date of 30 June 2018, with such options to be issued under the entitlement issue prospectus).
    - Phase 2: As soon as practicable after completion of the Placement and termination of the DOCA, the Company will seek to raise not less than A$7,893,634 via an underwritten non-renounceable pro-rata entitlements issue of not less than 131,560,567 fully paid ordinary shares (Entitlement Issue Shares) in the capital of the Company at $0.06 per share (and on the basis of 1 Entitlement Issue Shares for every 4 fully paid ordinary shares held in the capital of the Company as at the relevant record date) (Entitlement Issue). Somers & Partners Pty Ltd shall be appointed as underwriter of this issue.
    - Deposit of $1 million which has been deposited into a Ferrier Hodgson Trust account by Somers as an interest free loan to the Company, subject to the terms and conditions of the DOCA.
    - Subject to conditions precedent, the formation of a Creditors Trust and payment of $5 million (or any shortfall amount) to repay creditors 100 cents in the dollar plus statutory interest of 8%, excluding any claim or liability arising from or in connection with the Mozambique Government.
- The Administrators, through their investigations did not identify any potential voidable transaction by directors that may have been committed under the provisions of the Act.
- Yichang Xincheng Graphite Co. Ltd (YXGC) - On 21 March 2016, YXGC wrote to the Company terminating both the agreements and making a claim for US$1 million. The Administrators have not accepted their claim for damages in the amount of US$1 million as each agreement excludes liability for "consequential, incidental…or indirect damages". YXGC have been advises of the rejection of any claim against the Company. The Administrators consider that YXGC has no valid claim against the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 29. EVENTS AFTER THE BALANCE SHEET DATE (continued)

On 8 July 2016, the Company announced that at the Second Meeting of Creditors held on 8 July 2016, the creditors resolved unanimously to execute a Deed of Company Arrangement (DOCA) proposed by Somers & Partners Pty Ltd and Minjar Gold Pty Ltd in the form set out in the Administrators' supplementary report dated 5 July 2016.

On 22 July 2016, the Administrators removed Christopher James Catlow and Alfred John Gillman as directors of the Company; and appointed Xingmin (Max) Ji and Guanghui (Michael) Ji representing Minjar Gold Pty Ltd and Patrick Nicolas Burke representing Somers & Partners as directors of the Company.

On 25 July 2016, the DOCA was executed by the Company and Administrators, whereupon the Company entered deed administration and the Administrators became the Deed Administrators of the Company. The DOCA will complete and be fully effectuated upon each of the following being satisfied:

- a shareholders' meeting approves the issue to Minjar Gold Pty Ltd or nominees of 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 ("the Placement") together with 25,000,000 free options to acquire shares in the Company;
- the Placement occurs in accordance with the Subscription Agreement (described below);
- the Creditors' Trust Deed is executed;
- the Company transfers $5 million together with any chose in action or claim that the Company may have against third parties ("Company Causes of Action") and the benefit of such Company Causes of Action to the trustees of the Creditors Trust; and
- all creditors' claims against the Company (except any excluded claims) are extinguished and all creditors whose claims have been so extinguished are taken to have a claim against the Creditors Trust, equal in amount to their released claim.

Immediately following the execution of the DOCA, the Underwriting Agreement (proposed as part of the DOCA) was executed by the Company and Somers & Partners on Monday, 25 July 2016.

Pursuant to the terms and conditions of the Underwriting Agreement, Somers & Partners will underwrite a non-renounceable pro-rata entitlement issue of not less than 131,560,567 fully paid ordinary shares at $0.06 per share on the basis of 1 Entitlement Issue Share for every 4 shares to raise not less than $7,893,634.

Immediately following the execution of the Underwriting Agreement (proposed as part of the DOCA), the Subscription Agreement was executed by the Company and Minjar Gold Pty Ltd on Monday, 25 July 2016.

Pursuant to the terms and conditions of the Subscription Agreement, including shareholder approval, Minjar Gold Pty Ltd or nominees will subscribe for 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 and 25,000,000 free options, exercisable at $0.10, expiring 30 June 2018.

On 27 July 2016, the Deed Administrators and Mr Garth Higgo entered into a short term agreement terminating Mr Higgo's previous Executive Service agreement. The short term agreement is for a term of 3 months, commencing 3 July 2016, for remuneration of $400,000 per annum plus superannuation. Whereby either party may terminate the agreement by one week's notice in writing.

Since the end of the financial year, the Directors are not aware of any other matter of circumstance not otherwise dealt with in this report or financial statements that has significantly or may significantly affect the operations of the consolidated Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the consolidated financial statements and notes, and the Remuneration Report contained in the Directors' Report, are in accordance with the *Corporations Act 2001*, and:

   (i) give a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the year ended on that date;

   (ii) comply with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements; and

   (iii) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2015.

3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Garth Higgo
Managing Director and Chief Executive Officer

Perth, 2 September 2016

nexia australia

chartered accountants and business advisors

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

To the directors of Triton Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2015 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani B.Eng, CA
Director

Perth, 2 September 2016

nexia australia

chartered accountants and business advisors

Independent auditor's report to the members of Triton Minerals Limited (Administrators Appointed)

Report on the financial report

We have audited the accompanying financial report of Triton Minerals Limited **(**Administrators Appointed) which comprises the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Triton Minerals Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Triton Minerals Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001.*

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial report, which indicates that the Directors of the resolved to put the Company into voluntary administration and appointed Messrs Martin Jones, Andrew Smith and Dermott McVeigh of Ferrier Hodgson as joint and several administrators of the Company (together, the "Administrators") pursuant to section 436A of the Corporations Act.

On 25 July 2016, the DOCA was executed by the Company and Administrator, whereupon the Company entered deed administration and the Administrators became the Deed Administrators of the Company. Until and unless the DOCA is completed and effectuated there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Report on the remuneration report

We have audited the remuneration report included of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our

responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the remuneration report of Triton Minerals Limited for the year ended 31 December 2015, complies with Section 300A of the *Corporations Act 2001*.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani **B.Eng, CA**
Director

Perth, 2 September 2016

SHAREHOLDER INFORMATION

The following additional information was applicable as at 2 September 2016.

1. Fully paid ordinary shares

Listed Securities	No. of holders	No. of shares	% Held by top 20
Fully paid ordinary shares	4,506	420,993,866	36.46%

2. Distribution of fully paid ordinary shareholders is as follows:

Spread of Holdings	Holders	Securities	% of Issued Capital
1-1000	270	57,746	0.01%
1,001-5,000	911	2,750,329	0.65%
5,001-10,000	737	6,059,103	1.44%
10,001-100,000	1,959	74,368,987	17.67%
100,001-9,999,999,999	629	337,757,701	80.23%
Total	**4,506**	**420,993,866**	**100%**

3. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those were the shareholding is valued at less than $500.

- There are 1,540 shareholders who hold less than a marketable parcel of shares.
- The number of fully paid ordinary shares held in less than marketable parcels is 5,197,204.

4. Substantial shareholders of ordinary fully paid ordinary shares

The Substantial shareholders of the Company are:

Rank	Holder Name	Securities	% of Issued Capital
1	Alan Gordon Jenks	34,879,780	8.29%

5. Share buy-backs

There is no current on-market buy-back scheme.

SHAREHOLDER INFORMATION

6. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

7. Top 20 shareholders of fully paid ordinary shares

As of 2 September 2016 the top 20 largest fully paid ordinary shareholders together held 36.46% of the securities in this class and are listed below:

Rank	Holder Name	Securities	%
1.	CITICORP NOMINEES PTY LTD	70,711,153	16.80
2.	J P MORGAN NOMINEES AUSTRALIA LIMITED	12,906,055	3.07
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,751,535	2.79
4.	GMP SECURITIES AUSTRALIA PTY LIMITED	8,614,397	2.05
5.	MR CHRISTOPHER JOHN FONE	4,600,000	1.09
6.	MR ALFRED GILLMAN + MS MARIA GILLMAN <GILLMAN FAMILY A/C>	4,150,000	0.99
7.	MR ALAN GORDON JENKS	4,050,000	0.96
8.	MR PETER CARMINE SACCHETTI	3,983,963	0.95
9.	MR CRAIG ANDREW STUBBS	3,834,545	0.91
10.	BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	3,380,000	0.80
11.	RAMCO INVESTMENTS PTY LTD <RAMCO FAMILY A/C>	3,348,000	0.80
12.	BLAIR METALS LTD	3,341,191	0.79
13.	GOLDFIRE ENTERPRISES PTY LTD	2,780,000	0.66
14.	GMP SECURITIES AUSTRALIA PTY LIMITED <FACILITATION TRADING A/C>	2,778,710	0.66
15.	MR ANTOINE HALDEZOS	2,615,797	0.62
16.	ALMERANKA SUPERANNUATION PTY LTD <ALMERANKA SUPER A/C>	2,572,589	0.61
17.	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	2,279,817	0.54
18.	BLAKELEY & SON VIC PTY LTD	2,100,000	0.50
19.	MR GLEN BULL	2,028,313	0.48
20.	MISS ALECIA STOODLEY	1,685,481	0.40
		153,511,546	**36.46**

SHAREHOLDER INFORMATION

8. Top 20 holders of listed options, exercisable at $0.20 expiring 16 March 2017

As of 2 September 2016 the top 20 largest listed option holders together held 63.89% of the securities in this class and are listed below:

Rank	Holder Name	Securities	%
1.	GMP SECURITIES AUSTRALIA PTY LIMITED	4,924,332	22.16
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,936,956	13.22
3.	GOLDFIRE ENTERPRISES PTY LTD	1,390,000	6.25
4.	CITICORP NOMINEES PTY LTD	595,316	2.68
5.	RIVERVIEW CORPORATION PTY LTD	555,556	2.50
6.	PURESTEEL HOLDINGS PTY LTD <RATTIGAN SUPER FUND A/C>	527,778	2.37
7.	MR PETER CARMINE SACCHETTI	491,982	2.21
8.	MR PHILLIP RICHARD PERRY	300,150	1.35
9.	BUSHDAWN PTY LTD <KIREV SUPER FUND A/C>	300,000	1.35
10.	MR DAVID KHOA TO	272,967	1.23
11.	MR ANTOINE HALDEZOS	248,243	1.12
12.	MR EDWARD BRIDGMAN	209,812	0.94
13.	J P MORGAN NOMINEES AUSTRALIA LIMITED	203,302	0.91
14.	M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	200,384	0.90
15.	REINDEER INVESTMENTS PTY LIMITED <BRUEGGEMANN FAMILY A/C>	195,000	0.88
16.	MRS MARIE HEMMINGS	192,667	0.87
17.	MR VU QUANG MINH DANG + MRS THI KIM DAU NGUYEN <RISING SUPER FUND A/C>	186,500	0.84
18.	MRS GEMMA YI	167,500	0.75
19.	MR SCOTT MARSHALL SIMPSON + MRS JEMIMA MAY SIMPSON <AQUAZZURI SUPER FUND A/C>	150,050	0.68
20.	LANEWAY INVESTMENTS PTY LTD <JOLA FAMILY A/C>	150,000	0.67
		14,198,495	**63.89**

9. Options

The following options over unissued ordinary shares are on issue:

Class	Date of Expiry	Exercise Price	Number of Options	Holders
Unlisted Options	31 December 2016	$0.10	7,918,957	9
Unlisted Options	16 March 2017	$0.20	696,426	8
Unlisted Options	23 July 2017	$1.00	5,000,000	1
Unlisted Options	25 August 2017	$0.70	5,000,000	2
Unlisted Options	23 January 2018	$0.2748	4,548,763	1
Listed Options	16 March 2017	$0.15	22,222,306	540
		Total	45,386,452	

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The option holders that hold 20% or more of the options in an unquoted class:

Holder Name	Date of Expiry	Exercise Price	Number of Options	% of Class
Mr Roderick Benjamin Blair	31 December 2016	$0.10	2,245,000	28.3%
Mr Alan Gordon Jenks	31 December 2016	$0.10	1,877,500	23.7%
GMP Securities	23 July 2017	$1.00	5,000,000	100%
Mr Greg Sheffield	25 August 2017	$0.70	3,225,000	64.5%
IPS Nominees Limited	25 August 2017	$0.70	1,775,000	35.5%
LS Whitehall Group Inc	23 January 2018	$0.2748	4,548,763	100%
Mr Gregory John Brown	16 March 2017	$0.20	250,000	35.9%
Mr Phillip Richard Perry	16 March 2017	$0.20	178,571	25.6%

10. Performance rights

	Class	Date of Expiry	Vesting Date	Vesting Condition	Exercise Price	Number of rights	Holders
1	Performance rights	20 August 2018	20 August 2017	Milestones	Nil	7,000,000	3
2	Performance rights	20 August 2018	20 August 2017	5 Day VWAP $1.00	Nil	1,500,000	3
3	Performance rights	20 August 2018	20 August 2017	5 Day VWAP $0.75	Nil	1,700,000	2
4	Performance rights	20 August 2018	20 August 2017	5 Day VWAP $0.60	Nil	1,700,000	2
5	Performance rights	20 August 2018	20 August 2017	5 Day VWAP $0.40	Nil	1,600,000	2
					Total	13,500,000	5

1. Milestones

Each performance right, upon vesting, entitles the holder to acquire one fully paid ordinary share for nil consideration. The performance rights will expire, if unvested, on 20 August 2018. The performance rights vesting conditions are as follows:

- minimum vesting term of 36 months from grant date, being 20 August 2017 (Minimum Vesting Period);
- if an announcement is made to the market by the Company confirming a minimum of an inferred resource or higher at the Company's Balama North project of at least 0.5b tonnes of graphite bearing ore – 3,000,000 performance rights will vest, upon satisfaction of the Minimum Vesting Period; and
- if an announcement is made to the market by the Company confirming that a pre–feasibility or other feasibility study will be undertaken within the Company's Balama North project – 2,000,000 director performance rights will vest and 2,000,000 employee performance rights will vest, upon satisfaction of the Minimum Vesting Period.

2. - 5. Vesting Conditions

The Company has on issue 6.5 million performance rights with various vesting hurdles as follows:

(a) The Performance Rights will vest on 20 August 2017 (minimum vesting period). The number of Performance Rights that will vest will be dependent upon the following:

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(i) the Company's share price reaching a 5 day VWAP of at least $0.40 per share - 1,600,000 Performance Rights will vest;

(ii) the Company's share price reaching a 5 day VWAP of at least $0.60 per share - 1,700,000 Performance Rights will vest;

(iii) the Company's share price reaching a 5 day VWAP of at least $0.75 per share - 1,700,000 Performance Rights will vest;

(iv) the Company's share price reaching a 5 day VWAP of at least $1.00 per share – 2,500,000 Performance Rights will vest;

(collectively the Vesting Conditions)

(b) the Performance Rights will expire on 20 August 2018;

11. Tenement schedule

Tenement	Project	JV Partner	Location	Status	Interest
EL5966	Balama North	Grafex Ltd	Mozambique	Granted	80%
EL5365	Balama North	Grafex Ltd	Mozambique	Granted	80%
EL5304	Balama South	Grafex Ltd	Mozambique	Granted	80%
EL5380	Ancuabe	Grafex Ltd	Mozambique	Granted	80%
EL5336	Ancuabe	Grafex Ltd	Mozambique	Granted	80%
EL5305	Ancuabe	Grafex Ltd	Mozambique	Granted	80%
EL6357	Ancuabe	Grafex Ltd	Mozambique	Application	80%
EL5934	Ancuabe	Grafex Ltd	Mozambique	Application	80%
E28/1663	Fraser Range North	Matsa Resources Ltd	Western Australia	Surrendered	0%
E28/1664	Fraser Range North	Matsa Resources Ltd	Western Australia	Surrendered	0%